

| | | | |
|---------------------------------|--|-------------------------------|--|
| <i>SERFF Tracking Number:</i> | <i>PALD-127350160</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>Filing Company:</i> | <i>Pacific Life Insurance Company</i> | <i>State Tracking Number:</i> | <i>50008</i> |
| <i>Company Tracking Number:</i> | <i>P11P1I</i> | | |
| <i>TOI:</i> | <i>L09I Individual Life - Flexible Premium</i> | <i>Sub-TOI:</i> | <i>L09I.101 External Indexed - Single Life</i> |
| | <i>Adjustable Life</i> | | |
| <i>Product Name:</i> | <i>P11P1I</i> | | |
| <i>Project Name/Number:</i> | <i>P11P1I/</i> | | |

Filing at a Glance

Company: Pacific Life Insurance Company

Product Name: P11P1I

TOI: L09I Individual Life - Flexible Premium
Adjustable Life

Sub-TOI: L09I.101 External Indexed - Single
Life

Filing Type: Form

SERFF Tr Num: PALD-127350160 State: Arkansas

SERFF Status: Closed-Approved-
Closed State Tr Num: 50008

Co Tr Num: P11P1I

State Status: Approved-Closed

Author: Hong Do

Date Submitted: 10/12/2011

Reviewer(s): Linda Bird

Disposition Date: 10/25/2011

Disposition Status: Approved-
Closed

Implementation Date Requested: 11/01/2011

State Filing Description:

Implementation Date:

General Information

Project Name: P11P1I

Project Number:

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Individual Market Type:

Filing Status Changed: 10/25/2011

State Status Changed: 10/25/2011

Created By: Hong Do

Corresponding Filing Tracking Number:

Deemer Date:

Submitted By: Hong Do

Filing Description:

October 11, 2011

NAIC # 00067466

FEIN # 95-1079000

Mr. John Shields

Policy Form Filings, Life

1200 W. Third Street

SERFF Tracking Number: PALD-127350160 State: Arkansas
Filing Company: Pacific Life Insurance Company State Tracking Number: 50008
Company Tracking Number: P11P1I
TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.101 External Indexed - Single Life
Adjustable Life
Product Name: P11P1I
Project Name/Number: P11P1I/
Little Rock, AR 72201-1904

RE: P11P1I, Indexed Adjustable Life Insurance

Dear Mr. Shields:

We are submitting the above referenced individual (non-group) life insurance forms in final print for your approval. The policy is a new form, which does not replace any previously approved form. Policy form P11P1I is an indexed adjustable life policy. This policy insures the life of an individual and provides a death benefit that is payable upon the insured's death as long as the policy is in-force at the time of the insured's death.

The following pertain to this submission:

- Actuarial memorandum is included to this filing.
- Issue ages are 0-90. Minimum issue amount is \$50,000.
- The policy form satisfies any relevant readability requirements of your state, with readability score of 51.1.
- Where required, a sample illustration, and the Illustration Actuary's Certification is included.
- This policy is issued on a sex-distinct basis and may be issued in any employer-employee situation subject to the Norris decision and/or title VII of the Civil Rights Act of 1964 with unisex rates.
- The forms will be marketed through our licensed agents. The target release is 11/01/11, or upon approval.
- The forms will be used mainly with applications A10IUW2, approved 03/17/2010 and A09IUW2, approved 09/16/2009.
- P11P1I is intended to be used with the following riders previously approved in your state:
Annual Renewable Term Rider – Additional Insured Rider, R08RTA, approved 10/9/2007.
No Lapse Guarantee Rider, R03FNL, approved 03/07/03.
Overloan Protection II Rider, R08OLP, approved 11/13/2007.
Waiver of Charges Rider, R84-WC, approved 09/27/1984.
- The free look number of days showing on the cover will be extended, if necessary, for replacement sales in your state.
- If a filing fee is required, it is handled in the usual manner and any required certification forms are enclosed.

To the best of my knowledge and belief, this filing complies with the with the laws and regulations of your state. If you would like to discuss any aspect of this filing, please feel free to contact me at (800) 800-6416, extension 8576.

Sincerely,

Hong Do
Senior Compliance Analyst
Product Compliance, Life Division

| | | | |
|--------------------------|--|------------------------|---|
| SERFF Tracking Number: | PALD-127350160 | State: | Arkansas |
| Filing Company: | Pacific Life Insurance Company | State Tracking Number: | 50008 |
| Company Tracking Number: | P11P1I | | |
| TOI: | L09I Individual Life - Flexible Premium Adjustable Life | Sub-TOI: | L09I.101 External Indexed - Single Life |
| Product Name: | P11P1I | | |
| Project Name/Number: | P11P1I/ | | |

Company and Contact

Filing Contact Information

| | |
|--|--|
| Hong Do, 45 Enterprise Drive Aliso Viejo, CA 92656 | thuhong.do@pacificlife.com 949-420-8576 [Phone] |
|--|--|

Filing Company Information

| | | |
|---|--|--|
| Pacific Life Insurance Company 45 Enterprise Drive Aliso Viejo, CA 92656 (949) 420-7080 ext. [Phone] | CoCode: 67466 Group Code: 709 Group Name: FEIN Number: 95-1079000 | State of Domicile: Nebraska Company Type: State ID Number: |
|---|--|--|

Filing Fees

| | |
|------------------|--|
| Fee Required? | Yes |
| Fee Amount: | \$50.00 |
| Retaliatory? | No |
| Fee Explanation: | \$50.00 per policy 1 policy = \$50.00 |
| Per Company: | No |

| COMPANY | AMOUNT | DATE PROCESSED | TRANSACTION # |
|--------------------------------|---------|----------------|---------------|
| Pacific Life Insurance Company | \$50.00 | 10/12/2011 | 52734713 |

| | | | |
|---------------------------------|--|-------------------------------|--|
| <i>SERFF Tracking Number:</i> | <i>PALD-127350160</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>Filing Company:</i> | <i>Pacific Life Insurance Company</i> | <i>State Tracking Number:</i> | <i>50008</i> |
| <i>Company Tracking Number:</i> | <i>P11P11</i> | | |
| <i>TOI:</i> | <i>L09I Individual Life - Flexible Premium</i> | <i>Sub-TOI:</i> | <i>L09I.101 External Indexed - Single Life</i> |
| | <i>Adjustable Life</i> | | |
| <i>Product Name:</i> | <i>P11P11</i> | | |
| <i>Project Name/Number:</i> | <i>P11P11/</i> | | |

Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|-----------------|-------------------|-------------------|-----------------------|
| Approved-Closed | Linda Bird | 10/25/2011 | 10/25/2011 |

| | | | |
|---------------------------------|--|-------------------------------|--|
| <i>SERFF Tracking Number:</i> | <i>PALD-127350160</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>Filing Company:</i> | <i>Pacific Life Insurance Company</i> | <i>State Tracking Number:</i> | <i>50008</i> |
| <i>Company Tracking Number:</i> | <i>P11P11</i> | | |
| <i>TOI:</i> | <i>L09I Individual Life - Flexible Premium</i> | <i>Sub-TOI:</i> | <i>L09I.101 External Indexed - Single Life</i> |
| | <i>Adjustable Life</i> | | |
| <i>Product Name:</i> | <i>P11P11</i> | | |
| <i>Project Name/Number:</i> | <i>P11P11/</i> | | |

Disposition

Disposition Date: 10/25/2011

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

| | | | |
|--------------------------|--|------------------------|---|
| SERFF Tracking Number: | PALD-127350160 | State: | Arkansas |
| Filing Company: | Pacific Life Insurance Company | State Tracking Number: | 50008 |
| Company Tracking Number: | P11P11 | | |
| TOI: | L09I Individual Life - Flexible Premium Adjustable Life | Sub-TOI: | L09I.101 External Indexed - Single Life |
| Product Name: | P11P11 | | |
| Project Name/Number: | P11P11/ | | |

| Schedule | Schedule Item | Schedule Item Status | Public Access |
|---------------------|--|----------------------|---------------|
| Supporting Document | Flesch Certification | | Yes |
| Supporting Document | Application | | Yes |
| Supporting Document | Health - Actuarial Justification | | No |
| Supporting Document | Outline of Coverage | | No |
| Supporting Document | Actuarial Memorandum and Appendices | | No |
| Supporting Document | Illustration and Illustration Actuarial Certification | | No |
| Form | Indexed Adjustable Life Insurance | | Yes |

SERFF Tracking Number: PALD-127350160 State: Arkansas

Filing Company: Pacific Life Insurance Company State Tracking Number: 50008

Company Tracking Number: P11P1I

TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.101 External Indexed - Single Life

Adjustable Life

Product Name: P11P1I

Project Name/Number: P11P1I/

Form Schedule

Lead Form Number:

| Schedule Item Status | Form Number | Form Type Form Name | Action | Action Specific Data | Readability | Attachment |
|----------------------|-------------|--|---------|----------------------|-------------|--------------|
| | P11P1I | Policy/Cont Indexed Adjustable ract/Fratern Life Insurance al Certificate | Initial | | 51.100 | P11P1IAR.pdf |



PACIFIC LIFE

Pacific Life Insurance Company • [45 Enterprise • Aliso Viejo, CA 92656]

www.PacificLife.com

(800) 347-7787

READ YOUR POLICY CAREFULLY. This is a legal contract between you, the Owner, and us, Pacific Life Insurance Company, a stock insurance company. We agree to pay the benefits of this policy according to its provisions. The consideration for this policy is the application for it, a copy of which is attached, and payment of the initial and subsequent premiums.

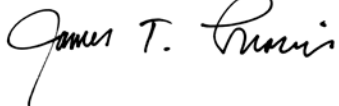
While policy values may be affected by an external index, the Indexed Account does not directly participate in any stock or equity investment.

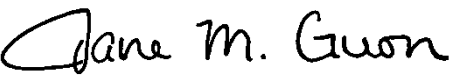
The method for determining the Death Benefit is described in the Death Benefit section of this policy. The amount of the Death Benefit may increase or decrease depending on the Death Benefit option elected.

Benefits as specified under this policy will be reduced upon receipt of an accelerated death benefit. We recommend you contact your tax advisor about the tax status of an accelerated death benefit payment.

Premiums are flexible, subject to minimums required to keep the policy In Force. Even if Planned Premiums are paid, it is possible that, due to changes in interest credited, and policy charges, the Policy may not continue In Force; that is, it may lapse before any death benefit is payable on the death of the Insured. Additionally, loans, withdrawals, and Death Benefit Option changes will affect the length of time the Policy stays In Force.

Signed for Pacific Life Insurance Company,


Chairman, President and Chief Executive Officer


Secretary

INDEXED ADJUSTABLE LIFE INSURANCE

- Death Benefit Payable On The Death Of The Insured
- Net Cash Surrender Value Payable Upon Surrender
- Index-Linked Interest Option
- Adjustable Face Amount
- Flexible Premiums
- Non-Participating
- Terminal Illness Benefit (Accelerated Death Benefit)

INSURED: [LELAND STANFORD]

SEX AND AGE: [MALE 35]

RISK CLASS: [STANDARD NONSMOKER]

POLICY NUMBER: [VF99999990]

POLICY DATE: [NOVEMBER 1, 2011]

TOTAL FACE AMOUNT: [\$50,000]

OWNER: [LELAND STANFORD]

Free Look Right - You may return this policy within [20] days after you receive it. To do so, deliver it or mail it to us or to the Producer/Representative who delivered it to you. This policy will then be deemed void from the beginning and we will refund any premium paid.

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POLICY SPECIFICATIONS

| | | |
|--------------|-----------------------------------|---------------|
| BASE POLICY: | INDEXED ADJUSTABLE LIFE INSURANCE | |
| PREMIUMS: | PLANNED [ANNUAL] PREMIUM | = [\$ 500.00] |
| | 7 PAY PREMIUM | = [1,679.13] |

DEATH BENEFIT QUALIFICATION TEST: [CASH VALUE ACCUMULATION TEST]

| | |
|--|---|
| DEATH BENEFIT OPTION: | [A] |
| FIXED ACCOUNT GUARANTEED INTEREST RATE, POLICY YEAR 1: | 5.00% |
| FIXED ACCOUNT GUARANTEED INTEREST RATE, POLICY YEARS 2+: | 2.00% |
| NET AMOUNT AT RISK FACTOR: | 1.0016516 |
| MONTHLY DEDUCTION END DATE: | POLICY ANNIVERSARY WHEN THE INSURED ATTAINS AGE 121 |
| MAXIMUM PREMIUM LOAD RATE: | 7.60% |
| ADMINISTRATIVE CHARGE PER MONTH: | \$7.50 |

TABLE OF SURRENDER CHARGE FACTORS

| | |
|-------------------|------------|
| INITIAL AMOUNT: | [\$299.00] |
| REDUCTION FACTOR: | [\$29.90] |
| END YEAR: | 10 YEARS |

INDEXED ACCOUNT TRANSFER DATES: THE 15TH DAY OF EACH CALENDAR MONTH
(SEE INDEXED ACCOUNTS SECTION FOR ADDITIONAL INFORMATION)

[STATE] DEPARTMENT OF INSURANCE: [(XXX) XXX-XXXX]

POLICY SPECIFICATIONS

SUMMARY OF COVERAGES EFFECTIVE ON THE POLICY DATE

P11P1I BASIC LIFE COVERAGE

| | |
|--------------|----------------------|
| FACE AMOUNT: | [\$50,000] |
| INSURED: | [LELAND STANFORD] |
| SEX AND AGE: | [MALE 35] |
| RISK CLASS: | [STANDARD NONSMOKER] |

POLICY SPECIFICATIONS

TABLE OF COST OF INSURANCE RATES
FOR BASIC LIFE COVERAGE

INSURED: [LELAND STANFORD]

MAXIMUM MONTHLY COST OF INSURANCE RATES PER \$1000.00 OF NET AMOUNT AT RISK
APPLICABLE TO THIS COVERAGE.

| POLICY YEAR | MONTHLY RATE |
|----------------|-----------------|
| [1 | 0.10090 |
| 2 | 0.10670 |
| 3 | 0.11170 |
| 4 | 0.12010 |
| 5 | 0.12840 |
| 6 | 0.13760 |
| 7 | 0.14930 |
| 8 | 0.16350 |
| 9 | 0.17930 |
| 10 | 0.19940 |
| 11 | 0.22110 |
| 12 | 0.24200 |
| 13 | 0.26460 |
| 14 | 0.27790 |
| 15 | 0.29380 |
| 16 | 0.31390 |
| 17 | 0.33900 |
| 18 | 0.37330 |
| 19 | 0.41180 |
| 20 | 0.45950 |
| 21 | 0.51560 |
| 22 | 0.57510 |
| 23 | 0.63890 |
| 24 | 0.69180 |
| 25 | 0.75230 |
| 26 | 0.82540 |
| 27 | 0.91630 |
| 28 | 1.02660 |
| 29 | 1.14970 |
| 30 | 1.27900 |
| 31 | 1.41510 |
| 32 | 1.55240 |
| 33 | 1.68980 |
| 34 | 1.83930 |
| 35 | 1.99170 |
| 36 | 2.17330 |
| 37 | 2.37670 |
| 38 | 2.64820 |
| 39 | 2.93180 |
| 40 | 3.23010 |
| 41 | 3.56140 |
| 42 | 3.92360 |
| 43 | 4.34570 |
| 44 | 4.84010 |

POLICY SPECIFICATIONS

TABLE OF COST OF INSURANCE RATES
FOR BASIC LIFE COVERAGE
CONTINUED

INSURED: [LELAND STANFORD]

MAXIMUM MONTHLY COST OF INSURANCE RATES PER \$1000.00 OF NET AMOUNT AT RISK
APPLICABLE TO THIS COVERAGE.

| POLICY YEAR | MONTHLY RATE |
|----------------|-----------------|
| 45 | 5.41330 |
| 46 | 6.04180 |
| 47 | 6.76170 |
| 48 | 7.51460 |
| 49 | 8.33040 |
| 50 | 9.24140 |
| 51 | 10.27540 |
| 52 | 11.43490 |
| 53 | 12.71510 |
| 54 | 14.10520 |
| 55 | 15.59360 |
| 56 | 17.17060 |
| 57 | 18.67330 |
| 58 | 20.26540 |
| 59 | 21.97380 |
| 60 | 23.81220 |
| 61 | 25.79270 |
| 62 | 27.64150 |
| 63 | 29.65380 |
| 64 | 31.85100 |
| 65 | 34.25960 |
| 66 | 36.90860 |
| 67 | 39.06360 |
| 68 | 41.41760 |
| 69 | 43.99540 |
| 70 | 46.82420 |
| 71 | 49.93700 |
| 72 | 53.37330 |
| 73 | 57.18460 |
| 74 | 61.42910 |
| 75 | 66.18210 |
| 76 | 71.53880 |
| 77 | 77.62690 |
| 78 | 83.33330 |
| 79 | 83.33330 |
| 80 | 83.33330 |
| 81 | 83.33330 |
| 82 | 83.33330 |
| 83 | 83.33330 |
| 84 | 83.33330 |
| 85 | 83.33330 |
| 86 | 83.33330 |
| 87+ | 0] |

POLICY SPECIFICATIONS

TABLE OF MAXIMUM MONTHLY COVERAGE CHARGES
FOR BASIC LIFE COVERAGE

INSURED: [LELAND STANFORD]

| POLICY YEAR | COVERAGE CHARGE |
|----------------|--------------------|
| [1 | \$8.45 |
| 2 | 8.45 |
| 3 | 8.45 |
| 4 | 8.45 |
| 5 | 8.45 |
| 6 | 8.45 |
| 7 | 8.45 |
| 8 | 8.45 |
| 9 | 8.45 |
| 10 | 8.45 |
| 11 | 8.45 |
| 12 | 8.45 |
| 13 | 8.45 |
| 14 | 8.45 |
| 15 | 8.45 |
| 16 | 8.45 |
| 17 | 8.45 |
| 18 | 8.45 |
| 19 | 8.45 |
| 20 | 8.45 |
| 21 | 9.13 |
| 22 | 9.13 |
| 23 | 9.13 |
| 24 | 9.13 |
| 25 | 9.13 |
| 26 | 9.13 |
| 27 | 9.13 |
| 28 | 9.13 |
| 29 | 9.13 |
| 30 | 9.13 |
| 31 | 9.13 |
| 32 | 9.13 |
| 33 | 9.13 |
| 34 | 9.13 |
| 35 | 9.13 |
| 36 | 9.13 |
| 37 | 9.13 |
| 38 | 9.13 |
| 39 | 9.13 |
| 40 | 9.13 |
| 41 | 9.13 |
| 42 | 9.13 |
| 43 | 9.13 |
| 44 | 9.13 |

POLICY SPECIFICATIONS

TABLE OF MAXIMUM MONTHLY COVERAGE CHARGES
FOR BASIC LIFE COVERAGE
CONTINUED

INSURED: [LELAND STANFORD]

| POLICY YEAR | COVERAGE CHARGE |
|----------------|--------------------|
| 45 | \$9.13 |
| 46 | 9.13 |
| 47 | 9.13 |
| 48 | 9.13 |
| 49 | 9.13 |
| 50 | 9.13 |
| 51 | 9.13 |
| 52 | 9.13 |
| 53 | 9.13 |
| 54 | 9.13 |
| 55 | 9.13 |
| 56 | 9.13 |
| 57 | 9.13 |
| 58 | 9.13 |
| 59 | 9.13 |
| 60 | 9.13 |
| 61 | 9.13 |
| 62 | 9.13 |
| 63 | 9.13 |
| 64 | 9.13 |
| 65 | 9.13 |
| 66 | 9.13 |
| 67 | 9.13 |
| 68 | 9.13 |
| 69 | 9.13 |
| 70 | 9.13 |
| 71 | 9.13 |
| 72 | 9.13 |
| 73 | 9.13 |
| 74 | 9.13 |
| 75 | 9.13 |
| 76 | 9.13 |
| 77 | 9.13 |
| 78 | 9.13 |
| 79 | 9.13 |
| 80 | 9.13 |
| 81 | 9.13 |
| 82 | 9.13 |
| 83 | 9.13 |
| 84 | 9.13 |
| 85 | 9.13 |
| 86 | 9.13 |
| 87+ | 0] |

POLICY SPECIFICATIONS

1 YEAR INDEXED ACCOUNT

Segment Term: 1 Year

Segment Guaranteed Interest Rate: 0.00%

Cumulative Segment Guaranteed Interest Rate: 0.00%

Guaranteed Minimum Participation Rate: 100% for the Segment Term

Guaranteed Minimum Growth Cap: 3% for the Segment Term

Overview – This describes the elements and method used in calculating Segment Indexed Interest for each Segment of this Indexed Account. The Participation Rate and Growth Cap used in determining the credited rate from the index are not guaranteed and can be changed by us for future segments, subject to the guarantees in the policy, and any such changes can affect the return. Also, see Indexed Accounts.

Index – The Index is the S&P 500® index, excluding dividends. If the S&P 500® index is discontinued, or if we are unable to use it for reasons beyond our control, we will substitute a successor index of our choosing. In such case, we will notify you of the change at your last known address.

Segment Indexed Interest – At Segment Maturity, Segment Indexed Interest will be credited to the Segment and is equal to the Segment Indexed Interest Rate multiplied by the average of all Segment Monthly Balances over the entire Segment Term.

Segment Monthly Balance – The Segment Monthly Balance is, as of the end of any Segment Month, the amount initially transferred to the Segment on the Segment Date minus all Segment Deductions, excluding any interest that may have been credited to the Segment.

Segment Indexed Interest Rate – The Segment Indexed Interest Rate reflects any growth in the Index multiplied by the Participation Rate, subject to the Growth Cap, that exceeds the Cumulative Segment Guaranteed Interest Rate. The Segment Indexed Interest Rate is equal to [the lesser of (a x b) and c] - d, such result being not less than zero, where:

a = Index Growth Rate

b = Participation Rate

c = Growth Cap

d = Cumulative Segment Guaranteed Interest Rate

Index Growth Rate – In calculating the Segment Indexed Interest, the Index Growth Rate for that Segment Term is first calculated, as $(b \div a) - 1$, where:

a = the Closing Value of the Index as of the day before the beginning of the Segment Term; and

b = the Closing Value of the Index as of the day before the end of the Segment Term.

Participation Rate – This is the percentage of the Index Growth Rate that is used in calculating the Segment Indexed Interest Rate. The Guaranteed Minimum Participation Rate is shown above. We may declare a higher Participation Rate, which will be shown in your Annual Report.

Growth Cap – This is the maximum total interest rate for a Segment over the Segment Term, including both the Cumulative Segment Guaranteed Interest Rate and the Segment Indexed Interest Rate. The Guaranteed Minimum Growth Cap is shown above. We may declare a higher Growth Cap, which will be shown in your Annual Report.

Cumulative Segment Guaranteed Interest Rate – The Cumulative Segment Guaranteed Interest Rate is the Segment Guaranteed Interest Rate compounded annually for the number of years of the Segment Term.

Product – Refers to the product provided by this policy.

The Product is not sponsored, endorsed, sold or promoted by Standard & Poor's® ("S&P") or its third party licensors. Neither S&P nor its third party licensors makes any representation or warranty, express or implied, to the owners of the Product or any member of the public regarding the advisability of investing in securities

POLICY SPECIFICATIONS

generally or in the Product particularly or the ability of the S&P 500® index (the "Index") to track general stock market performance. S&P's and its third party licensor's only relationship to Pacific Life Insurance Company is the licensing of certain trademarks and trade names of S&P and the third party licensors and of the Index which is determined, composed and calculated by S&P or its third party licensors without regard to Pacific Life Insurance Company or Product. S&P and its third party licensors have no obligation to take the needs of Pacific Life Insurance Company or the owners of the Product into consideration in determining, composing or calculating the Index. Neither S&P nor its third party licensors is responsible for and has not participated in the determination of the prices and amount of the Product or the timing of the issuance or sale of the Product or in the determination or calculation of the equation by which the Product is to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the Product.

NEITHER S&P, ITS AFFILIATES NOR THEIR THIRD PARTY LICENSORS GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDEX OR ANY DATA INCLUDED THEREIN OR ANY COMMUNICATIONS, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATIONS (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P, ITS AFFILIATES AND THEIR THIRD PARTY LICENSORS SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS OR DELAYS THEREIN. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE MARKS, THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P, ITS AFFILIATES OR THEIR THIRD PARTY LICENSORS BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE.

POLICY SPECIFICATIONS

1 YEAR INDEXED ACCOUNT 2

Segment Term: 1 Year

Segment Guaranteed Interest Rate: 0.00%

Cumulative Segment Guaranteed Interest Rate: 0.00%

Guaranteed Minimum Participation Rate: 100% for the Segment Term

Guaranteed Minimum Growth Cap: 3% for the Segment Term

Overview – This describes the elements and method used in calculating Segment Indexed Interest for each Segment of this Indexed Account. . The elements used in determining the credited rate from the index are not guaranteed and can be changed by us, subject to the guarantees in the policy, and any such changes can affect the return. Also, see Indexed Accounts.

Index – The 1 Year Indexed Account 2 provides returns based in part on the returns of three Indexes (Index A, B and C below), excluding dividends. We reserve the right in our sole discretion to substitute any of the Indexes, including if an Index is discontinued or no longer published. In such case, we will notify you of the change at your last known address.

Index A – MSCI Emerging Markets Index (published under the ticker symbol “MXEF”)

Index B – Hang Seng Index (published under the ticker symbol “HSI”)

Index C – EURO STOXX 50® Index, a registered trademark of STOXX Limited (published under the ticker symbol “SX5E”)

Segment Indexed Interest – At Segment Maturity, Segment Indexed Interest will be credited to the Segment and is equal to the Average Segment Indexed Interest Rate multiplied by the average of all Segment Monthly Balances over the entire Segment Term.

Segment Monthly Balance – The Segment Monthly Balance is, as of the end of any Segment Month, the amount initially transferred to the Segment on the Segment Date minus all Segment Deductions, excluding any interest that may have been credited to the Segment.

Average Segment Indexed Interest Rate – The Average Segment Indexed Interest Rate is the average of each Index’s Segment Indexed Interest Rate for each Index, we calculate the Segment Indexed Interest Rate as described below.

Segment Indexed Interest Rate – With regard to each Index, the Segment Indexed Interest Rate reflects any growth in the Index multiplied by the Participation Rate, subject to the Growth Cap, that exceeds the Cumulative Segment Guaranteed Interest Rate. The Segment Indexed Interest Rate is equal to [the lesser of (a x b) and c] – d, such result being not less than zero, where:

a = Index Growth Rate of the Index

b = Participation Rate

c = Growth Cap

d = Cumulative Segment Guaranteed Interest Rate

Index Growth Rate – In calculating the Segment Indexed Interest, the Index Growth Rate for that Segment Term is first calculated separately with regard to each Index, as $(b \div a) - 1$, where:

a = the Final Value of the Index as of one calendar day before the beginning of the Segment Term, provided the New York Stock Exchange is open that day, and if it is not then as of the next day that the New York Stock Exchange is open; and

b = the Final Value of the Index as of one calendar day before the end of the Segment Term provided the New York Stock Exchange is open that day, and if it is not then as of the next day that the New York Stock Exchange is open.

POLICY SPECIFICATIONS

The Final Value of any particular Index on any calendar day used in calculating the Index Growth Rate as provided above means the value determined by that Index's provider as the Index's final value for that calendar day. If no Final Value is determined for any Index as of the day the New York Stock Exchange is open as provided above, then we will use the Final Value for the most recent preceding calendar day for which a Final Value was determined for that Index.

Participation Rate – This is the percentage of the Index Growth Rate of the Index that is used in calculating the Segment Indexed Interest Rate. The Guaranteed Minimum Participation Rate is shown above. We apply the same Participation Rate to each Index. We may declare a higher Participation Rate, which will be shown in your Annual Report.

Growth Cap – This is the maximum total interest rate for each Index over the Segment Term, including both the Cumulative Segment Guaranteed Interest Rate and the Segment Indexed Interest Rate. The Guaranteed Minimum Growth Cap is shown above. We apply the same Growth Cap to each Index. We may declare a higher Growth Cap, which will be shown in your Annual Report.

Cumulative Segment Guaranteed Interest Rate – The Cumulative Segment Guaranteed Interest Rate is the Segment Guaranteed Interest Rate compounded annually for the number of years of the Segment Term.

POLICY SPECIFICATIONS

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- Have any responsibility or liability for the administration, management or marketing of the **1 YEAR INDEXED ACCOUNT 2**.

POLICY SPECIFICATIONS

- Consider the needs of the **1 YEAR INDEXED ACCOUNT 2** or the owners of the **1 YEAR INDEXED ACCOUNT 2** in determining, composing or calculating the EURO STOXX 50® Index or have any obligation to do so.

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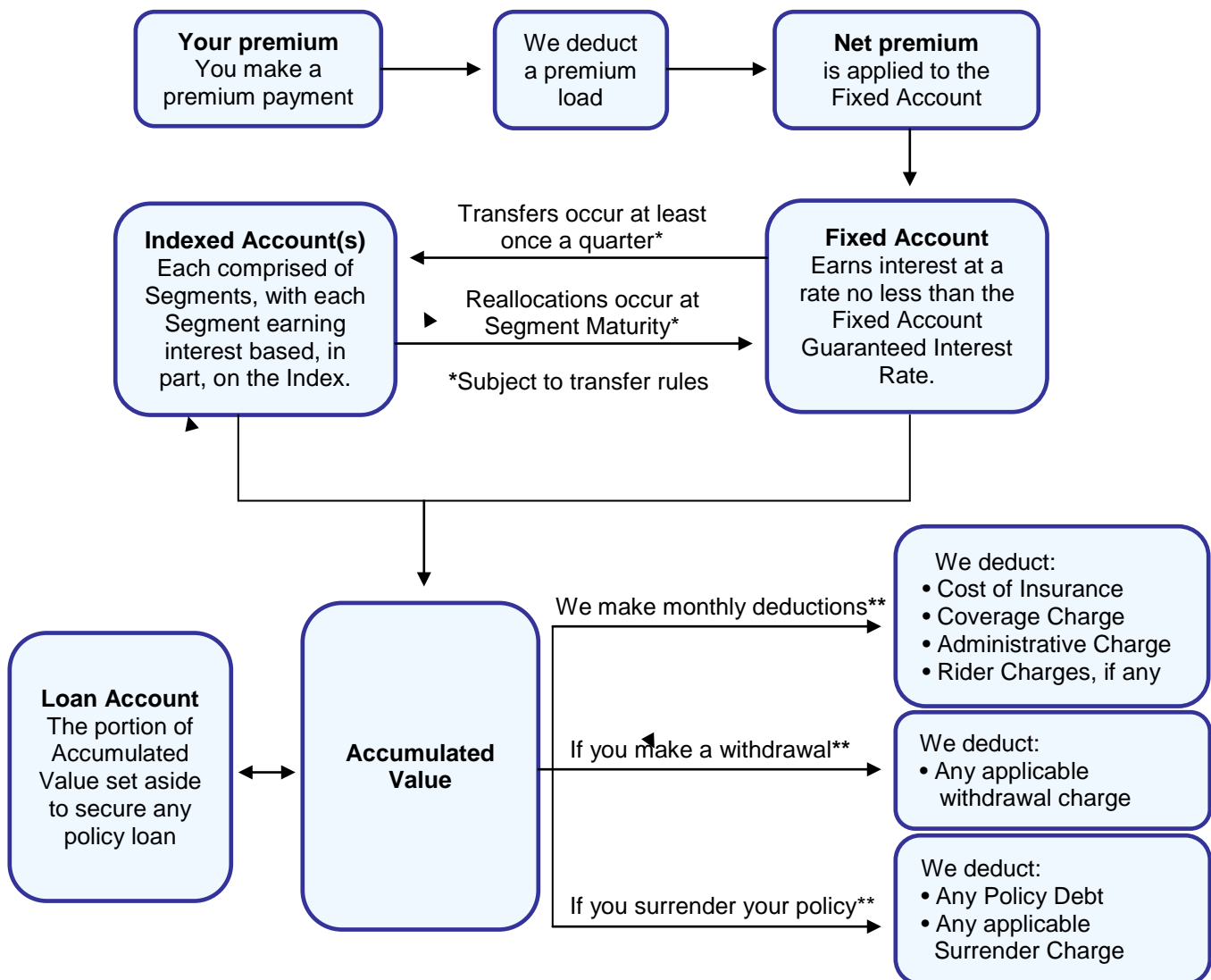
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 - **The accuracy or completeness of the EURO STOXX 50® Index and its data;**
 - **The merchantability and the fitness for a particular purpose or use of the EURO STOXX 50® Index and its data;**
- **STOXX and its Licensors will have no liability for any errors, omissions or interruptions in the EURO STOXX 50® Index or its data;**
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SUMMARY DESCRIPTION

This is a flexible premium adjustable life insurance policy with an optional feature linking interest to an outside index ("Index"). Provided the policy is In Force, a death benefit is payable upon the death of the Insured. Premiums, net of Premium Load, are credited to an account earning a fixed rate of interest ("Fixed Account") at a rate not less than the Fixed Account Guaranteed Interest Rate shown in the Policy Specifications. Then, according to your instructions, a portion of the premium may be transferred to one or more Indexed Accounts that earn interest, based in part, on the growth rate of the Index. The growth rate of each Indexed Account has an upper limit (the Growth Cap), and a lower limit (the Segment Guaranteed Interest Rate) as shown in the Policy Specifications. Policy charges are deducted from the policy's Accumulated Value. Diagrams are included as a general representation of how the policy works. A detailed explanation of how the Indexed Accounts work is contained in the Indexed Accounts section. Additional information, key definitions, and the various policy provisions are included in this contract. Please read your policy carefully. It is a legal contract between you and Pacific Life Insurance Company.

HOW YOUR POLICY ACCUMULATED VALUE WORKS



**All Monthly Deductions, Withdrawals and Loans from the Accumulated Value are taken from the Fixed Account, then from the Indexed Accounts.

DEFINITIONS

In this section, we define certain terms used throughout this policy. Other terms may be defined in other parts of the policy. Defined terms are usually capitalized to provide emphasis.

Accounts – consist of the Fixed Account (see **Accumulated Value**) and the Indexed Accounts (see **Indexed Accounts**), each of which may be referred to as an Account.

Account Deductions – will reduce the Fixed Account Value and the Indexed Accumulated Value. A Deduction is any of the following:

1. Monthly Deductions under the policy;
2. Any withdrawal from the policy, including the withdrawal fee;
3. Policy loans;
4. Any distribution in order to maintain compliance under Definition of Life Insurance or Modified Endowment Contract status;
5. Any Terminal Illness Benefit payment, according to the Requested Percentage;
6. Payments under certain riders; and
7. Any charge, fee, or distribution that reduces the policy's Accumulated Value.

Accumulated Value – is the sum of Net Premiums and credited interest less withdrawals, monthly deductions, and any reductions due to the Terminal Illness Benefit payment or benefit payments under certain riders. See the Accumulated Value and Policy Loan sections for details.

Administrative Office – is the office that administers your policy. The mailing address of the Administrative Office at the time you applied for this policy is shown in the heading of the Application. If the address changes, we will send you written notice of the new address.

Age – means the Insured's Age to the nearest birthday as of the Policy Date, increased by the number of complete policy years elapsed.

Application – consists of the application for this policy, including any Certificate of Health, Statement of Good Health and Insurability, amendments, and endorsements, and any application for reinstatement.

Basic Life Coverage – is insurance coverage on the Insured provided by this policy as shown in the Policy Specifications, rather than coverage provided by certain riders.

Business Day – is a day when both we and the New York Stock Exchange are open for business.

Class – is used in determining policy charges and interest credited, and depends on a number of factors, including (but not limited to) the Death Benefit, Face Amount, Policy Date, policy duration, the Insured's Age and Risk Class, and the presence of optional riders and benefits.

Code – is the U.S. Internal Revenue Code of 1986, as amended, and the rules and regulations issued thereunder.

Evidence of Insurability – is information, including medical information, that is used to determine insurability and the Insured's Risk Class, subject to our approval.

Face Amount – is the Face Amount of Basic Life Coverage as shown in the Policy Specifications.

Insured – is the person insured under this policy, as shown in the Policy Specifications.

In Force – means a policy is in effect and provides a death benefit on the Insured.

Monthly Deduction End Date – is shown in the Policy Specifications and is the date when Monthly Deductions end.

Monthly Payment Date – is the same day in each month as the Policy Date and is the date on which certain policy charges are deducted from the Accumulated Value. The first Monthly Payment Date is the Policy Date.

Net Accumulated Value – is the Accumulated Value less any Policy Debt.

Net Amount at Risk – is the difference between the Death Benefit and the Accumulated Value.

Net Premium – is the premium we receive reduced by any Premium Load.

Owner, you, or your – refers to the Owner of this policy.

Policy Date – is shown on the Cover Page and means the date the policy and associated riders become effective. Policy months, quarters, years and anniversaries are measured from this date.

Policy Debt – is the sum of all outstanding policy loans plus accrued Loan Interest Charge.

Policy Specifications – is a section of the policy that shows information specific to your policy.

Risk Class – is used in determining policy charges and is determined by us during the underwriting process. Risk Class depends on the Insured's gender, health, tobacco use, and other factors. The Risk Class of the Insured is shown in the Policy Specifications. Risk Class may also be referred to as Risk Classification.

Systematic Distribution Program – is a program of periodic distribution of policy values that we designate as a Systematic Distribution Program. We reserve the right to discontinue such a program at any time. The program includes periodic distribution to you of a portion of the policy's Accumulated Value through policy loans and withdrawals while the Insured is alive and the policy is In Force. Contact the Company for details of how this program works.

Total Face Amount – is the sum of the Face Amount of Basic Life Coverage and the Face Amounts of any rider providing coverage on the Insured. The Total Face Amount is used in determining the Death Benefit under this policy and is shown in the Policy Specifications.

We, our, ours, and us – refer to Pacific Life Insurance Company.

Written Request – is your signed request in writing, or on a form we provide, and received by us at our Administrative Office, containing information we need to act on the request.

DEATH BENEFIT

When the Policy is In Force – This policy is In Force as of the Policy Date, subject to your acceptance of the delivered policy and payment of the initial premium. The policy remains In Force until the earliest of the following:

- Surrender, as described in the Surrender and Withdrawal of Values provision;
- Lapse, as described in the Policy Lapse and Reinstatement section; or
- The death of the Insured.

Coverage under this policy is subject to any changes we have made to the policy at your request, and may include increases or decreases in Total Face Amount, as described in later sections of this policy.

Death Benefit – This policy provides a Death Benefit on the death of the Insured while this policy is In Force. This section describes how the Death Benefit is calculated. The Death Benefit is the larger of:

- The Total Face Amount reflecting any reductions as a result of withdrawals, any Terminal Illness Benefit Payment, or certain rider benefits paid; or

- The Minimum Death Benefit according to the Death Benefit Qualification Test that applies to your policy.

The Death Benefit as calculated above is subject to any increase required by the minimum death benefit provisions set out in General Provisions to satisfy certain federal tax qualification requirements.

Death Benefit Options – You elected the Death Benefit Option in the Application. The initial Death Benefit Option appears in the Policy Specifications. Some changes in Death Benefit Option are allowed (see Change of Death Benefit Option). The Death Benefit according to each of the Death Benefit Options is explained below.

- Option A – The Death Benefit equals the Total Face Amount.
- Option B – The Death Benefit equals the Total Face Amount plus the Accumulated Value.
- Option C – The Death Benefit equals the Total Face Amount plus the sum of the premiums paid minus the sum of any withdrawals taken and any other distribution that reduces the Accumulated Value, provided that such result is limited to the amount shown in the Policy Specifications as the “Option C Death Benefit Limit”. Under this option, the Death Benefit may be less than the Total Face Amount.

If at the time of death the Alternate Accumulated Value is higher than the Policy’s Accumulated Value, we will use the Alternate Accumulated Value in determining the Policy’s death benefit. This only affects policies that have chosen Death Benefit Option B, or those policies subject to the Minimum Death Benefit.

Death Benefit Qualification Test – In order for your policy to qualify as a life insurance contract under the Code, it must at all relevant times satisfy one of two Death Benefit Qualification Tests. The policy provides a minimum death benefit amount, as needed, for the policy to qualify under either of the Tests. Unless you elected otherwise in the application, the Death Benefit Qualification Test that is specified for this policy is the Guideline Premium Test. The Death Benefit Qualification Test that this policy is designed to satisfy appears in the Policy Specifications. You may not change your policy’s specified Death Benefit Qualification Test without our written consent. The two Death Benefit Qualification Tests and the Minimum Death Benefit amounts applicable to each are explained in this subsection.

1. **Cash Value Accumulation Test** – If this test applies to your policy, the Minimum Death Benefit at any time will be the minimum amount required for this policy to qualify as a life insurance contract under the Code, but not less than 101% of the Accumulated Value.
2. **Guideline Premium Test** – If this test applies to your policy, the Minimum Death Benefit at any time will be the minimum amount required for this policy to qualify as a life insurance contract under the Code, but not less than the Accumulated Value multiplied by the Death Benefit Percentage for the Age of the Insured as shown in the following table.

| Age | Death Benefit Percentage | Age | Death Benefit Percentage | Age | Death Benefit Percentage | Age | Death Benefit Percentage |
|------|--------------------------|-----|--------------------------|-----|--------------------------|---------|--------------------------|
| 0-40 | 250% | 50 | 185% | 60 | 130% | 70 | 115% |
| 41 | 243 | 51 | 178 | 61 | 128 | 71 | 113 |
| 42 | 236 | 52 | 171 | 62 | 126 | 72 | 111 |
| 43 | 229 | 53 | 164 | 63 | 124 | 73 | 109 |
| 44 | 222 | 54 | 157 | 64 | 122 | 74 | 107 |
| 45 | 215 | 55 | 150 | 65 | 120 | 75-90 | 105 |
| 46 | 209 | 56 | 146 | 66 | 119 | 91 | 104 |
| 47 | 203 | 57 | 142 | 67 | 118 | 92 | 103 |
| 48 | 197 | 58 | 138 | 68 | 117 | 93 | 102 |
| 49 | 191 | 59 | 134 | 69 | 116 | Over 93 | 101 |

Change of Death Benefit Option – The Death Benefit Option may be changed to Option A or B upon Written Request no more than once per policy year. Changes to Option C from either Option A or B are not permitted. The Total Face Amount will be adjusted, if necessary, so that the Death Benefit immediately after the change of Death Benefit Option will be equal to the Death Benefit immediately

before the change. The change will be effective on the Monthly Payment Date on or next following the day we receive your Written Request at our Administrative Office.

Unless you specify otherwise by Written Request, any request for a Death Benefit Option change will not take effect if the requested change would cause the policy to be classified as a Modified Endowment Contract under the Code.

Death Benefit Proceeds – The Death Benefit Proceeds (“Proceeds”) are the actual amount payable if the Insured dies while this policy is In Force. The Proceeds are equal to the Death Benefit, as of the date of death, less any Policy Debt and less any Monthly Deductions that may be due and unpaid if death occurs during a Grace Period.

We will pay the Proceeds within two months after we receive, at our Administrative Office:

- Due proof of the Insured’s death, consisting of a certified copy of the death certificate for the Insured or other lawful evidence providing equivalent information.
- Proof of the claimant’s legal interest in the proceeds.
- Sufficient evidence that any legal impediments to payment of Proceeds that depend on parties other than us have been resolved. Legal impediments to payment include, but are not limited to (a) the establishment of guardianships and conservatorships; (b) the appointment and qualification of trustees, executors and administrators; (c) submission of information required to satisfy state and federal reporting requirements; and (d) conflicting claims.

Proceeds paid are subject to the conditions and adjustments defined in other policy provisions, such as General Provisions, withdrawals, Policy Loans, and Timing of Payments. We will pay interest on the Proceeds from the date of death at a rate not less than the rate payable for funds left on deposit (see the Income Benefits section). If payment of Proceeds is delayed more than 31 calendar days after we receive the above requirements needed to pay the claim, we will pay additional interest at a rate of 10% annually beginning with the 31st calendar day referenced above. Proceeds are paid as a lump sum unless you choose another payment method, as described in the Income Benefits section.

Face Amount Decrease – You may request a decrease in the Total Face Amount of the policy by providing a written request. A decrease in Total Face Amount is subject to these limits:

- Only one requested decrease per policy year is allowed.
- A decrease during the first policy year is not allowed.
- The Face Amount remaining after a decrease must be at least \$1000.

The effective date of the decreased Face Amount will be the first Monthly Payment Date on or next following the date we approved your Written Request.

Unless and until you specify otherwise by Written Request, any request for a decrease in Total Face Amount will not take effect if the requested change would cause the policy to be classified as a Modified Endowment Contract under the Code. We recommend you consult your tax advisor before requesting a decrease in Total Face Amount. Upon approval of any decrease, we will send you a Supplemental Schedule of Coverage to reflect the decrease.

The request for a decrease in the Total Face Amount will be subject to the Guideline Premium Limit (if specified for your policy) as defined in the Code. This may result in one or more refunds of premiums or required distributions of Accumulated Value in order to maintain compliance with such limit, in accordance with the Tax Qualification as Life Insurance section of this policy. Such request will not be allowed to the extent we determine that any resulting Guideline Premium limit would cause an amount in excess of the Net Cash Surrender Value to be distributed from the policy.

Change in Benefits – Under the Guideline Premium Test or the Cash Value Accumulation Test, whichever is specified for your policy, any change in policy or rider benefits or certain other factors may require an adjustment to the policy’s tax qualification limits.

PREMIUMS

Premiums – The initial premium is payable either at our Administrative Office or to our authorized representative before we can place your policy In Force. At your request, we will give you a premium receipt signed by one of our officers. Additional premiums are optional and are payable at any time at our Administrative Office. We will consider any premium paid after the initial premium, whether delivered to an independent producer or otherwise, will be considered “received” when it is delivered to our Administrative Office. Except for the initial premium, we bear no responsibility for any premium unless it has been received by us. We reserve the right to reject premium payments less than \$50 unless such premium is required to keep the policy In Force. Premiums may be paid at any time before the Monthly Deduction End Date, subject to the premium limits below. Any payment we receive from you while you have a loan will be first considered a loan repayment, unless you tell us by Written Request it is a premium payment.

Planned Premium – The Planned Premium is the amount of premium you have told us you intend to pay and is shown in the Policy Specifications. We will send you Planned Premium Reminder Notices for as long as premiums can be paid. You may change the Planned Premium by Written Request. Payment of the Planned Premium does not guarantee that the policy will continue In Force.

Premium Processing – We deduct the Premium Load at the time we receive the premium payment. Then the resulting Net Premium will be applied to the Fixed Account. Subject to the Automatic Transfers provision, we will thereafter process a transfer to the Indexed Accounts. See the Indexed Accounts section for details.

Premium Load – The Premium Load is equal to the premium paid multiplied by the Premium Load Rate. The Premium Load Rate we use will not exceed the Maximum Premium Load Rate shown in the Policy Specifications.

Premium Limitation – We reserve the right to require Evidence of Insurability for any premium payment that would result in an increase in the Net Amount at Risk. If such Evidence of Insurability is not satisfactory, we may limit or refuse the premium payment, unless it is necessary to keep the policy In Force.

Guideline Premium Limit – This subsection applies only if the Guideline Premium Test is the Death Benefit Qualification Test specified in the Policy Specifications. In order for this policy to qualify as a life insurance contract under Section 7702 of the Code, the sum of the premiums paid less a portion of any withdrawals, as specified in the Code, may not exceed the Guideline Premium Limit, which is the greater of:

- The Guideline Single Premium; or
- The sum of the annual Guideline Level Premiums to the earlier of the date of payment or the Insured's Age 100.

The Guideline Premiums are shown in the Policy Specifications. The Guideline Premiums may change whenever there is a change in the Total Face Amount of insurance, whether scheduled or otherwise, or certain other policy benefits or factors. Any such Guideline Premium change will be shown in a supplemental schedule that we will send to you at the time of the change. The Guideline Premiums are used to determine the premium limits beyond which this policy would fail to qualify as a life insurance contract under the Code. Payment of the Guideline Premiums does not guarantee that the policy will never lapse and additional premiums may be necessary to prevent the policy from lapsing in the future.

The Guideline Premiums are determined by the rules that apply to this policy as set forth in the Code. The Guideline Premiums will be adjusted to conform to any changes in the Code. To the extent that a premium payment would exceed such limits, we will refund the excess payment to you in accordance with the Tax Qualification as Life Insurance section of this policy, provided that we may not refuse any premium payment necessary to keep this policy In Force. Further, we will make distributions from the policy to the extent we deem necessary to continue to classify this policy as a life insurance contract under the Code, in accordance with the Tax Qualification as Life Insurance section of this policy.

Modified Endowment Contract Premium Limit – In order that this policy not be classified as a Modified Endowment Contract under Section 7702A of the Code, the sum of premiums paid less a portion of any withdrawals may not exceed the 7-Pay limit as defined in the Code. The 7-Pay limit is the cumulative sum of the 7-Pay Premiums during the applicable 7-Pay testing period. In the event that a premium payment would cause the 7-Pay limit to be exceeded, we will refund the excess payment to you, unless you have provided a Written Request in which you accept your policy being classified as a Modified Endowment Contract and indicate that we may accept such payments and apply them to the policy, in accordance with the Modified Endowment Contract Tax Status section of this policy.

The 7-Pay premium may change whenever there is a change in the Total Face Amount of insurance or in other certain policy benefits or factors. The 7-Pay Premiums are determined according to the rules applicable to this policy set forth in the Code. The 7-Pay Premium will be adjusted to conform to any changes in the Code. To the extent that a premium payment would cause such limits to be exceeded, we will refund the excess payment to you, in accordance with the Modified Endowment Contract Tax Status section of this policy. Further, as indicated in that section, we will increase the Death Benefit to the extent we deem necessary to continue to classify this policy as a non-Modified Endowment Contract under the Code.

TERMINAL ILLNESS BENEFIT (ACCELERATED DEATH BENEFIT)

Terminal Illness Benefit – Also known as Accelerated Death Benefit. If the Insured has been diagnosed with a terminal illness, you may elect to receive a portion of the Death Proceeds ("Proceeds") while the Insured is still living. This is called a Terminal Illness Benefit. A "terminal illness" means an illness causing the Insured to have a life expectancy of 12 months or less.

Eligible Coverage – is the portion of the Total Face Amount that will qualify for determining the Terminal Illness Benefit at the time the benefit is exercised.

Requested Portion – is the amount of the Proceeds you request in a Written Request on a form provided by us. The Requested Portion cannot exceed the lesser of 75% of the Eligible Coverage or \$500,000.

Requested Percentage – is the Requested Portion divided by the Eligible Coverage.

Terminal Illness Benefit Payment – is the actual dollar amount of benefit you will receive as a Terminal Illness Benefit. The Terminal Illness Benefit Payment will be determined as of the date we approve your Written Request for a Terminal Illness Benefit. Your Terminal Illness Benefit Payment will equal your Requested Portion less the following adjustments:

- a) A reduction rate will be applied to the Requested Portion, and reflects the early payment of the Requested Portion of your policy. The reduction rate will be based on the 12 month life expectancy of the insured at an annual interest rate declared by us. The reduction rate shall be no greater than the greater of the following rates in effect on the date of your written request for a Terminal Illness Benefit:
 - i) the yield on 90-day treasury bills; or
 - ii) the maximum statutory adjustable policy loan interest rate.
- b) If there is a Policy Loan on your policy as of the date we approve your Written Request, we will reduce the Requested Portion in order to repay a portion of the Policy Loan equal to the Requested Percentage times the outstanding loan.
- c) A processing charge deducted from the Terminal Illness Benefit, not to exceed \$150.

We will refund the amounts discussed in a) and c) above should the death of the Insured occur within 30 days of the Terminal Illness Benefit Payment.

The Terminal Illness Benefit will be paid as a lump sum. The minimum Terminal Illness Benefit Payment amount is \$500. We place no restrictions on how you use any Terminal Illness Benefit that may be paid under this provision. We will pay the Terminal Illness Benefit amount only once per Insured, even if such person may be insured under more than one policy with us.

This Terminal Illness Benefit is not meant to cause involuntary access to proceeds payable to the beneficiary on the death of the Insured. Therefore, this benefit is not available if either you or the Insured:

- a) is required by law to use this benefit to meet the claims of creditors, whether in bankruptcy or otherwise; or
- b) is required by a government agency to use this benefit in order to apply for, obtain or keep a government benefit or entitlement.

Effect of Terminal Illness Benefit Payment on Policy and Riders – After a Terminal Illness Benefit Payment is made, the policy and certain riders will remain In Force subject to the following adjustments. The Total Face Amount and any Accumulated Value will be reduced by the Requested Percentage. Any outstanding Policy Loan balance will be reduced as specified in the Terminal Illness Benefit Payment Section. A statement demonstrating how the Terminal Illness Benefit impacts your policy values will be provided to you before we process your request for the Terminal Illness Benefit Requested Portion.

Eligibility – The following conditions must be met before any Terminal Illness Benefit Payment is made:

- The policy must be In Force on the date the Terminal Illness Benefit Payment is approved;
- We must receive written proof that the life expectancy of the Insured is 12 months or less from the date of the Written Request. Proof will include the certification by a licensed physician. Such person may not be you or a member of your family. Such proof should include clinical, radiological or laboratory evidence of the condition. We reserve the right to obtain a second medical opinion from a physician of our choice at our expense. In the case of conflicting opinions, eligibility for benefits shall be determined by a third medical opinion, at our expense, that is provided by a physician that is acceptable to you and to us.
- The owner or legal guardian must make the Written Request; and
- Written consent from any irrevocable beneficiary and any assignee is also required.

Expiration Date – Your right to exercise the Terminal Illness Benefit will end when the policy is no longer In Force or when a Terminal Illness Benefit is paid.

Disclosure – The following should be taken into consideration before you exercise your option to receive the Terminal Illness Benefit:

- Policy Death Benefits, Accumulated Value and Cash Surrender Value will be reduced if a Terminal Illness Benefit is paid.
- This Terminal Illness Benefit is NOT health, nursing home or long-term care insurance, and it is not intended or designed to eliminate the need for such coverage.
- Receipt of the Terminal Illness Benefit Payment may affect Medicaid, Medicare, and/or Supplemental Security Income (SSI) eligibility. Exercising the option to accelerate and receive benefits before you apply for these programs, or while you are receiving government benefits, may affect your initial or continued eligibility.

ACCUMULATED VALUE

Accumulated Value – The Accumulated Value equals the sum of the values of the Fixed Account, the Indexed Accounts, and the Loan Account.

Fixed Account Value – The value of the Fixed Account as of the Policy Date is equal to the initial Net Premium less the first Monthly Deduction. On any day following the Policy Date, the value of the Fixed Account is equal to:

- The value of the Fixed Account as of the prior day;
- Plus interest earned on such amount since the prior day;
- Plus the amount of any Net Premiums or policy loan repayment applied since the prior day;
- Plus the amount of any transfer from the Indexed Accounts since the prior day (such transfer is allowed only at Segment Maturity);
- Less reduction for benefits paid since the prior day as described in certain riders attached to this policy;
- Less reduction for the Requested Portion for any Terminal Illness Benefit since the prior day as described in the Terminal Illness Benefit section;
- Less the amount of any Account Deductions from the Fixed Account since the prior day;
- Less the amount of any transfer from the Fixed Account since the prior day (such transfers include transfers to the Indexed Accounts to create a new Segment and transfers to the Loan Account to secure any policy loan).

We credit interest on a daily basis using a 365-day year at an annual rate not less than the Fixed Account Guaranteed Interest Rate shown in the Policy Specifications. At our discretion, we may credit additional interest. Any such additional interest may be adjusted to reflect expenses, taxes, profit, or sources of earnings other than investment earnings. Once credited, the additional interest is nonforfeitable except indirectly due to the surrender charge.

Indexed Account Value – See the Indexed Accounts section.

Loan Account – See the Policy Loans section.

Deductions from the Accumulated Value – Deductions from the Accumulated Value will be taken first from the Fixed Account, then from the Indexed Accounts, in order from the Indexed Account with the shortest Segment Term to the Indexed Account with the longest Segment Term.

If there is more than one Indexed Account with the same Segment Term, deductions from each such Indexed Account will occur in numeric order according to the number designation at the end of the name of the Indexed Account, provided that deductions from any Indexed Account without such a number designation will occur before deductions from any Indexed Account with a number designation.

ALTERNATE ACCUMULATED VALUE

The Alternate Accumulated Value (AAV) is used to determine your Death Benefit at the date of death, your Net Cash Surrender Value at the time you request a full surrender of the policy, and the time in which your policy enters its Grace Period.

The Alternate Accumulated Value (AAV) is calculated as follows:

- The value of the AAV as of the prior day;
- Plus an interest credit on the AAV since the prior day;
- Plus the amount of any Net Premiums or policy loan repayment since the prior day;
- Minus Account Deductions from the Fixed and Indexed Account Values.

In determining the AAV, we credit interest on a daily basis using a 365-day year at an annual rate not less than 2%. There are no excess interests or segment indexed interest credits payable on the AAV.

INDEXED ACCOUNTS

Indexed Accounts – You may allocate all or a portion of your policy's Accumulated Value to one or more policy accounts, each referred to as an "Indexed Account", for which values will vary over time based, in part, on the change in value of an external index ("Index"). The Indexed Accounts available as of the Policy Date, as well as how credits based on the Index are calculated, are shown in the Policy Specifications. We reserve the right to add additional Indexed Accounts or to cease offering one or more of the Indexed Accounts at any time. In such case, we will notify you of the change at your last known address. In calculating the change in value of the Index, we use the Closing Value of the Index.

Closing Value – By Closing Value of the Index, we mean the value of the Index as of the close of the New York Stock Exchange, which is usually 4:00 p.m. Eastern time. If no Closing Value is published for a given day, we will use the Closing Value for the next day for which the Closing Value is published. In calculating the change in value of the Index, we use the Closing Value of the Index.

SEGMENT OVERVIEW

Segments – Your policy's value in an Indexed Account is divided into Segments. Each Segment represents a transfer of policy value from the Fixed Account to the Indexed Account.

Segments are credited with interest and comprise a portion of the policy's Accumulated Value. This is a summary of how Segments work:

- **Segment Creation** – A new Segment is created when there is a transfer to an Indexed Account. The Segment will continue until the end of the Segment Term.
- **Segment Value Change** - Over the Segment Term, the Segment will grow with the Segment Guaranteed Interest and be reduced by Segment Deductions.
- **Segment Deductions** – Over the Segment Term, money may be transferred out of the Segments for Account Deductions.
- **Segment Indexed Interest** – Based on the performance of the Index, additional interest may be credited to the Segment at the end of the Segment Term.
- **Segment Maturity** – At the end of a Segment Term, the Segment Value is either transferred to a new Indexed Account Segment, or to the Fixed Account.

SEGMENT CREATION AND TRANSFERS

Segment Creation – A new Segment is created if there is a transfer to an Indexed Account. The date of the transfer is called the Segment Start Date or **Segment Date**. Segment Months and Segment Years are measured from this date. Each Segment in each Indexed Account will have its own Growth Cap and Participation Rate. These values for a particular Segment are the values in effect on the Segment Date. The values in effect on the Policy Date are shown in the Policy Specifications. If these values change, you will be notified in the Annual Report or other written notice.

Transfer Dates – Transfer Dates are the dates as of which transfers into the Indexed Account may occur. The Transfer Dates as of the issue of the policy are shown in the Policy Specifications. We reserve the right to change the Transfer Dates and to limit transfers into the Indexed Account, but these will occur not less frequently than once per calendar quarter. If we change the Transfer Dates, you will be notified in the Annual Report or other written notice. There are two types of Transfers: Automatic Transfers and Transfers by Written Request.

Automatic Transfers – Automatic Transfers will be based on your latest instructions on file with us. There are two types of transfer instructions that result in Automatic Transfers.

1. **Payment Instructions:** These are your instructions to us to transfer an amount from the Fixed Account to the Indexed Account, following a premium or loan repayment. The amount transferred to the Indexed Account can never exceed the value in the Fixed Account at the time of the transfer. If you have given us no instructions or if your policy is in a Lockout Period (see **Lockout Period**), then no transfer to the Indexed Account will occur.
2. **Reallocation Instructions:** At the end of the Segment Term, if a Segment has a Segment Value other than Segment Guaranteed Interest and Segment Indexed Interest, the Segment Value can be reallocated to any Account.

Transfers by Written Request – Transfers by Written Request consist of:

- Your Written Request to transfer to an Indexed Account on a Transfer Date; and
- Your Written Request to transfer a particular Segment to the Fixed Account at Segment Maturity.

Cut-Off Date – To be effective on a given Transfer Date, each of the following must be received at our Administrative Office by 4:00 p.m. Eastern time of the Cut-Off Date, which is two Business Days prior to the Transfer Date:

- Any instructions for Automatic Transfers,
- Any instructions for Transfers by Written Request, and
- Any premium payment or loan repayment intended to result in a transfer to an Indexed Account.

Order of Processing Transfers – Transfers among the Accounts on a given Transfer Date will be processed in the following order:

- First, any transfer to the Fixed Account of a Segment at Segment Maturity will occur;
- Then, any transfer from the Fixed Account will occur.

GROWTH OF SEGMENT VALUE DURING THE SEGMENT TERM

Segment Term and Segment Maturity – The Segment Term is the total length of time that a particular Segment can exist. The Segment Term begins on the Segment Date and ends at Segment Maturity, which is the Transfer Date corresponding to the end of the Segment Term. On that date, we calculate any Segment Indexed Interest and credit it to the Segment (see **Segment Indexed Interest**).

Indexed Account Value – Your policy's value in an Indexed Account is equal to the sum of the Segment Values for all Segments in the Indexed Account.

Segment Value – The Segment Value on the Segment Date is equal to the amount transferred to the Indexed Account at such time. At any later date, the Segment Value is equal to:

- The Segment Value as of the prior day;
- Plus the Segment Guaranteed Interest since the prior day;
- Minus any Segment Deductions since the prior day;
- Plus, at Segment Maturity only, any Segment Indexed Interest credited.

Segment Guaranteed Interest Credit – We credit interest on a daily basis to each Segment from the Segment Date to Segment Maturity, using a 365-day year, at an annual rate equal to the Segment Guaranteed Interest Rate shown in the Policy Specifications. The amount of such interest is called the Segment Guaranteed Interest Credit ("Segment Guaranteed Interest").

Segment Deductions – Within each Indexed Account, deductions are made from all Segments, proportionate to Segment Value. For each Segment, the deduction is taken first from the Segment Monthly Balance, then from the Segment Guaranteed Interest.

Lockout Period – This is a 12 month period of time during which no transfers from the Fixed Account to the Indexed Accounts will be allowed. A Lockout Period will begin any time there is a deduction from an Indexed Account as a result of a loan or withdrawal that is not part of a Systematic Distribution Program.

SEGMENT MATURITY VALUE AND REALLOCATION

Segment Indexed Interest Credit – At Segment Maturity, the Segment Indexed Interest Credit (“Segment Indexed Interest”) is calculated, as described in the Policy Specifications, and credited to the Segment, resulting in the **Segment Maturity Value**. At Segment Maturity the maturing Segment ends and the Segment Maturity Value is reallocated, according to your instructions on file with us, in any of the Accounts, except that if the Segment Maturity Value consists only of the Segment Guaranteed Interest and the Segment Indexed Interest, we will transfer such value into the Fixed Account. If you reallocate any portion of the Segment Maturity Value in an Indexed Account, a new Segment will be created at that time.

POLICY CHARGES

Monthly Deduction – The Monthly Deduction provides coverage for the policy month following the Monthly Payment Date and is deducted from the Accumulated Value on each such date before the Monthly Deduction End Date. It is equal to the sum of the following items:

- The Cost of Insurance Charge;
- The Administrative Charge;
- The Coverage Charge;
- Rider or benefit charges, if any.

The maximum for each such charge is described below or in the rider or benefit forms. We may charge less than such maximum charge. Any lesser charge will apply uniformly to all members of the same Class.

Coverage Charge – This charge is based on the Face Amount of the policy and will not exceed the Maximum Monthly Coverage Charge shown in the Policy Specifications. The Coverage Charge will not decrease even if you decrease the Face Amount of the policy.

Administrative Charge – The Administrative Charge is shown in the Policy Specifications.

Rider Charges – Any rider or benefit charges are described in the rider or benefit forms.

Cost of Insurance Charge – The Cost of Insurance Charge is equal to (1) multiplied by (2), where: (1) is the Monthly Cost of Insurance Rate divided by 1000 as shown in the Policy Specifications; and (2) is the Death Benefit divided by the Net Amount at Risk Factor shown in the Policy Specifications, reduced by the Accumulated Value as of the beginning of the policy month before the Monthly Deduction is assessed.

Cost of Insurance Rates – The Maximum Monthly Cost of Insurance Rates for initial coverage is shown in the Policy Specifications. We may use Cost of Insurance Rates less than the maximum rates.

Tax-Related Charges – In addition to the charges described in this policy, we reserve the right to make a charge for federal, state or local taxes generated by this policy, or generated by our operations with respect to this policy, to the extent such tax was not applicable to the policy or our operations at the time of policy issuance.

POLICY LAPSE AND REINSTATEMENT

Grace Period – We will use the higher of the Alternate Accumulated Value and the Policy's Accumulated Value, each reduced by Policy Debt, to determine if the Policy will lapse. If the higher of these two values is not sufficient to provide for the Policy's Monthly Deductions, the Policy will enter the Grace Period. A Grace Period of 61 days will be allowed for the payment of sufficient loan repayment or premium to keep your policy In Force. The Grace Period begins on the Monthly Payment Date on which the insufficiency occurred and ends 61 days thereafter. At the start of the Grace Period, we will provide a Grace Notice to you, any assignee of record, and any additional person designated to receive notice of lapse or termination. There is no penalty for paying a premium during the Grace Period. Your policy will remain In Force during the Grace Period.

Notification of Termination for Non-Payment – Thirty days after the Monthly Payment Date on which the insufficiency occurred, we will provide a notification of termination for non-payment to you, any assignee of record, and any additional person designated to receive notice of lapse or termination (Grace Notice). The notice will be provided to each person at their last known addresses by first class United States mail, postage prepaid and will state the due date and the amount of loan repayment or premium required for your policy to remain In Force. A minimum of the monthly charges not deducted plus three times the monthly deduction due when the insufficiency occurred, plus any applicable Premium Load, must be paid.

Lapse – If sufficient loan repayment or premium is not paid by the end of the Grace Period, a lapse will occur. If the Insured dies during the Grace Period, the Death Benefit will be equal to the Death Benefit as of the beginning of the Grace Period reduced by any overdue charges. Upon lapse, the policy will terminate with no value.

Reinstatement – If it has not been surrendered, this policy may be reinstated within five years after the end of the Grace Period. To reinstate this policy you must provide us with the following:

- A written application;
- Evidence of Insurability;
- Sufficient premium, after reduction by any Premium Load, to cover all Monthly Deductions and policy Loan Interest Charges due and unpaid during the Grace Period; and
- Sufficient premium, after reduction by any Premium Load, to keep the policy In Force for three months after the date of reinstatement; and
- Sufficient premium to cover any negative Accumulated Value if there was a policy loan or other outstanding Policy Debt at the time of lapse.

The effective date of the policy reinstatement will be the Monthly Payment Date on or next following the date we approve your reinstatement application. At reinstatement:

- The Net Accumulated Value will be the same as it was at the beginning of the Grace Period.
- The Surrender Charges and policy charges (other than Cost of Insurance Charges) for Basic Life Coverage under this policy will resume on their schedule as of the Monthly Payment Date when lapse occurred.
- Cost of Insurance Charges will be calculated using Cost of Insurance Rates that resume their original schedule as if lapse had never occurred, reflecting the Insured's Age at reinstatement and policy duration measured from the original Policy Date.
- If there was a policy loan at time of lapse, upon reinstatement we will eliminate the loan by deducting any Policy Debt from the Accumulated Value. Any negative Accumulated Value will be due in addition to sufficient premium at time of reinstatement.
- The Alternate Accumulated Value will be reinstated as of the beginning of the Grace Period, after subtracting any Policy Debt.

After the reinstatement premium has been applied, regular policy processing will occur for the period of time when coverage was provided during the Grace Period. There will be no Monthly Deductions between the time of lapse and reinstatement.

SURRENDER AND WITHDRAWAL OF VALUES

Surrender – Upon Written Request while the Policy is In Force, you may surrender this policy for its Net Cash Surrender Value. The policy will terminate on the date the Written Request is received at our Administrative Office. The policy cannot be surrendered during the Grace Period.

Cash Surrender Value – The Cash Surrender Value is the Accumulated Value less any Surrender Charge.

Net Cash Surrender Value – If you request a full surrender of the Policy, the Net Cash Surrender Value will be the higher of the Accumulated Value under the Policy or the Alternate Accumulated Value less Policy Debt and less Surrender Charges.

Surrender Charge – If you surrender this policy, there may be a Surrender Charge deducted from the Accumulated Value. During the first policy month, the Surrender Charge is equal to the Initial Amount reduced by one-twelfth of the Reduction Factor. After the first policy month, the Surrender Charge decreases on each Monthly Payment Date by one-twelfth of the Reduction Factor until it becomes zero after the End Year. The Initial Amount, Reduction Factor and End Year are shown in the Table of Surrender Charge Factors in the Policy Specifications.

Withdrawals – Upon Written Request on or after the first policy anniversary, you may withdraw a portion of the Net Cash Surrender Value of this policy. Such withdrawal will be deducted from the Accumulated Value. We reserve the right to charge a fee not to exceed \$25 for each withdrawal. There is no Surrender Charge imposed for a withdrawal, even if the Total Face Amount is reduced as a result of the withdrawal. Withdrawals will be subject to the following conditions:

- The amount of each withdrawal must be at least \$200;
- The Net Cash Surrender Value remaining after a withdrawal must be at least \$500; and
- We reserve the right to disallow any withdrawal that would result in a Total Face Amount of less than \$1,000 after the withdrawal.

If Death Benefit Option A is in effect at the time of a withdrawal, and if a requested withdrawal would increase the Net Amount at Risk, we will decrease the Total Face Amount by the minimum amount necessary to prevent the Net Amount at Risk from increasing as a result of the withdrawal, except:

1. During the first 15 policy years, but only in the case of the first withdrawal of a given policy year, the Total Face Amount will be decreased only to the extent that the withdrawal exceeds the lesser of \$10,000 or 10% of the Net Cash Surrender Value, or
2. In any policy year, but only if both:
 - (a) the Death Benefit Qualification Test specified for your Policy is the Guideline Premium Test, and
 - (b) the Guideline Premium Limit, as determinable at the time of the decrease in Total Face Amount, would, as a result of the current withdrawal, fail to remain greater than zero at all times prior to Age 100, we will decrease the Total Face Amount as follows:
 - i. If cumulative withdrawals for the 12-month period ending on the date of the current withdrawal do not exceed 15% of the Total Face Amount, we will limit the Total Face Amount decrease so that the Guideline Premium Limit, as determinable at the time of the decrease in Total Face Amount, would remain greater than zero at all times prior to Age 100.
 - ii. If cumulative withdrawals for the 12-month period ending on the date of the current withdrawal exceed 15% of the Total Face Amount, we will decrease the Total Face Amount to the extent of such excess in addition to the Total Face Amount decrease calculated per i. above on the cumulative withdrawals of 15% of the Total Face Amount.
 - iii. For the purpose of the 15% test in i. and ii. above, the Total Face Amount will be the highest Total Face Amount in effect during the current policy year through the date of the withdrawal.

In any instance where both exceptions 1. and 2. above apply, we will decrease the Total Face Amount by the lesser of the two decrease amounts.

If such a reduction in Total Face Amount would cause the policy to become a Modified Endowment Contract, we will not process your withdrawal request unless and until we receive your Written Request to have your policy classified as a Modified Endowment Contract.

If Death Benefit Option B is in effect at the time of a withdrawal, the withdrawal will not reduce the Total Face Amount. The withdrawal will reduce both the Accumulated Value and the Alternate Accumulated Value, which has the effect of reducing the Death Benefit that would be payable (see the Death Benefit section for details).

If Death Benefit Option C is in effect at the time of a withdrawal, the withdrawal will not reduce the Total Face Amount, but it will increase the sum of the withdrawals, which has the effect of reducing the Death Benefit (see the Death Benefit section for details).

If the Insured dies after the request for a withdrawal is received by us and prior to the withdrawal being processed, the withdrawal, if allowed under the provision, will be processed and paid to the owner, or the owner's estate, before the Death Benefit Proceeds are determined and paid to the beneficiary.

INCOME BENEFITS

Income Benefits – All or part of any policy proceeds may, instead of being paid in a lump sum, be left with us under any one, or a combination of the income benefit plans available, subject to our minimum amount requirements on the date of election. If the payee is not a natural person, the choice of a payment option will be subject to our approval. We guarantee that the income benefit will not be less than the income that would be provided by the immediate annuity purchase rates we offer at the time. We guarantee that we will have at least the following income benefit plans available.

Fixed Income – Equal payments of the amount chosen with interest of not less than 2% per year until the funds left on deposit are exhausted.

Life Income – Monthly income will automatically be guaranteed to continue for at least ten years. If the payee dies before the end of the ten-year period, payments will continue to the end of the ten-year period to a person designated in writing by that payee. The purchase rates for the monthly income for a male or female income recipient bought by each \$1,000 of benefits are shown below.

| Age | Monthly Income | Age | Monthly Income | Age | Monthly Income | Age | Monthly Income | Age | Monthly Income |
|------|----------------|-----|----------------|-----|----------------|-----|----------------|-----|----------------|
| 0-30 | 2.38 | 40 | 2.63 | 50 | 3.00 | 60 | 3.60 | 70 | 4.63 |
| 32 | 2.42 | 42 | 2.69 | 52 | 3.10 | 62 | 3.76 | 72 | 4.92 |
| 34 | 2.47 | 44 | 2.76 | 54 | 3.20 | 64 | 3.94 | 74 | 5.26 |
| 36 | 2.52 | 46 | 2.83 | 56 | 3.32 | 66 | 4.14 | 75+ | 5.45 |
| 38 | 2.57 | 48 | 2.91 | 58 | 3.45 | 68 | 4.37 | | |

Monthly income amounts for ages not shown are halfway between the two amounts for the nearest two ages that are shown. Amounts shown are based on an annual interest rate of 2% and the Annuity 2000 female mortality table with five-year age setback. We may require evidence of survival for incomes that last more than ten years.

POLICY LOANS

Policy Loans – You may obtain policy loans by Written Request after the Free Look Period, on the sole security of the Loan Account of this policy. We recommend you consult your tax advisor before requesting a policy loan.

Loan Account – When a policy loan is taken, an amount equal to the loan will be transferred from the Fixed Account and, if necessary, from the Indexed Accounts, to the Loan Account to secure the loan.

Loan Account Value – The Loan Account Value is a portion of the Accumulated Value set aside to secure the Policy Debt. The Loan Account Value is equal to the Loan Account plus Loan Interest. Such interest is based on the balance in the Loan Account, and accrues daily on a simple interest basis, using the Loan Account Interest rate, which is an annual interest rate not less than 2.00%. The corresponding daily interest rate is equal to the annual rate divided by 365.

Loan Amount Available – The amount of the loan must be at least \$200. The maximum amount available for a loan on any date is equal to the Accumulated Value less:

- Three times the most recent Monthly Deduction;
- Any Surrender Charge; and
- Any existing Policy Debt.

Loan Interest Charge – Interest will accrue daily based on the balance in the Loan Account and will be due on each policy anniversary. Such interest is calculated using the simple interest method and is based on the balance in the Loan Account, using a maximum annual interest rate of 2.25%. We may use a lower loan interest rate. The corresponding daily interest rate is equal to the annual rate divided by 365. If the policy terminates before a policy anniversary, the Loan Interest Charge will be due at such time.

Loan Processing on Policy Anniversary – On each policy anniversary we will adjust the values of the Policy Debt, Loan Account and Loan Account Value so that they are equal to each other. To do this, we calculate the difference between the Policy Debt and the Loan Account Value. If the Policy Debt is greater than the Loan Account Value, which is generally the case when the policy loan interest has not been paid, a new loan will be taken for the excess and will be added to the Loan Account. If the Loan Account Value is greater than the Policy Debt, which is generally the case when the policy loan interest has been paid, the excess will be transferred into the Fixed Account.

Loan Repayment – You may make loan repayments at any time prior to lapse of this policy. Any payment we receive from you while you have a loan will be first considered a loan repayment, unless you tell us by Written Request it is a premium payment.

Policy Debt – The Policy Debt is the amount necessary to repay the Policy Loan in full and is equal to the Loan Account plus any accrued Loan Interest Charge. The Policy Debt reduces any amount otherwise payable under the policy.

OWNER AND BENEFICIARY

Owner – The Owner of this policy is as shown in the Policy Specifications or as later changed by Written Request. If you change the Owner, the change is effective on the date the Written Request is signed, subject to our receipt of it and subject to any action taken or payment made by us prior to its receipt. If there are two or more Owners, they will own this contract as joint tenants with right of survivorship, unless otherwise provided by Written Request. We recommend you consult your tax advisor before requesting a change of Owner.

Assignment – You may assign this policy by Written Request. An assignment must be recorded at our Administrative Office. When received, the assignment will take effect as of the date the Written Request was signed. Any rights created by the assignment will be subject to any payments made or actions taken by us before the change is recorded. We will not be responsible for the validity of any assignment. We recommend you consult your tax advisor before requesting an assignment.

Beneficiary – The beneficiary is named by you in the application to receive the Death Benefit proceeds. You may name one or more beneficiaries. If you name more than one beneficiary, they will share the Death Benefit proceeds equally or as you may otherwise specify by Written Request. If you have named a contingent beneficiary, that person becomes the beneficiary if the beneficiary dies before the Insured.

A beneficiary may not, at or after the Insured's death, assign, transfer or encumber any benefit payable. To the extent allowed by law, policy benefits will not be subject to the claims of any creditor of any beneficiary.

You may make a change of beneficiary by Written Request on a form provided by us while the policy is In Force. The change will take place as of the date the request is signed. Any rights created by the change will be subject to any payments made or actions taken by us before we have received the Written Request. You may designate an irrevocable beneficiary whose rights under the policy cannot be changed without his or her written consent.

The interest of a beneficiary who does not outlive the Insured will be divided pro rata among the surviving beneficiaries. If no beneficiaries survive the Insured, the Death Benefit Proceeds will pass to the Owner, or the Owner's estate if the Owner does not survive the Insured. In the event of a simultaneous death of the Insured and a beneficiary such that it cannot be determined who died first, it will be assumed, unless proof to the contrary is provided, that the beneficiary died last.

GENERAL PROVISIONS

Entire Contract – This policy is a contract between you and us. This policy, the attached copy of the initial Application, including any amendments and endorsements to the Application, any applications for reinstatement, any endorsements, benefits, or riders, and all additional policy information sections added to this policy are the entire contract. Only our president, chief executive officer or secretary is authorized to change this contract or extend the time for paying premiums. Any such change must be in writing.

All statements in the application shall, in the absence of fraud, be deemed representations and not warranties. We will not use any statement to contest this policy or defend a claim on grounds of misrepresentation unless the statement is in an application.

Incontestability – We will not contest this policy unless there was a material misrepresentation in the Application. If we determine that the Application contains a material misrepresentation, we will rescind the policy and return to you the premiums paid less any policy loans and any withdrawals taken. No Death Benefit will be paid. Unless you fail to pay required premiums, this policy cannot be contested, except as provided below, after it has been In Force for two years during the Insured's lifetime.

If this policy lapses and is later reinstated, we will not contest the reinstated policy unless there was a material misrepresentation in the Application required for reinstatement. If we determine that such Application contains a material misrepresentation, we will rescind the reinstated policy as of the reinstatement date and return to you the premiums paid after the reinstatement date less any policy loans and any withdrawals taken after the reinstatement date. No Death Benefit will be paid. We will not contest the reinstated policy after it has been In Force for two years following such reinstatement during the Insured's lifetime.

If there has been a change to the policy for which we required the Insured to submit Evidence of Insurability, we will not contest such a change unless there was a material misrepresentation in the Application required for the change. If we determine that such Application contains a material misrepresentation, we will rescind the policy change and all policy charges made after the change will be reversed and corrected charges applied so that the policy's Accumulated Value will be unaffected by the change. Any Death Benefits or other benefits that become payable will be determined as though the policy change had never been requested. We will not contest any such change after two years following the effective date of the change during the Insured's lifetime.

Non-Participating – This policy will not share in any of our surplus earnings.

Suicide Exclusion – If the Insured dies by suicide, while sane or insane, within two years of the Policy Date, the Death Benefit Proceeds will be limited to an amount equal to the sum of the premiums paid, less the sum of any policy loans and withdrawals.

If the Insured dies by suicide, while sane or insane, after two years from the Policy Date but within two years after the effective date of any increase in the Total Face Amount the Death Benefit Proceeds will be limited by the following adjustments:

- 1) Any such increase in Total Face Amount will be excluded;
- 2) Refund of the portion of Monthly Deductions associated with any such increase will be included; and
- 3) Premium Load associated with the portion of Monthly Deductions referred to in 2) above will be included.

Misstatement – If the Insured's sex or birth date is misstated in the application and it is discovered on or after the death of the Insured, the Death Benefit shall be the Minimum Death Benefit for the correct sex and birth date, or if greater, a Death Benefit based on a Net Amount at Risk adjusted by the ratio of the incorrect Cost of Insurance Rate to the correct Cost of Insurance Rate. The adjusted Net Amount at Risk will result in an adjusted Death Benefit, since the Death Benefit depends on the Net Amount at Risk.

If the Insured's sex or birth date is misstated in the application and it is discovered before the death of the Insured, we will not recalculate the Accumulated Value, but we will use the correct sex and birth date of the Insured in calculating future Monthly Deductions.

Maturity – This policy does not mature, but will continue In Force so long as the Insured is alive and the policy has not been surrendered and lapse has not occurred.

After the Monthly Deduction End Date – Provided the Policy is still In Force, coverage will continue on and after the Monthly Deduction End Date, subject to all policy provisions, with these exceptions and clarifications:

- Monthly Deductions will cease;
- Premiums will not be accepted, except amounts required to keep the policy In Force;
- Loans will be allowed;
- Loan repayments will be permitted;
- Loan interest will continue to accrue; and
- Withdrawals will not be allowed.

Timing of Payments – We may defer payments of any Net Cash Surrender Value, withdrawal or loan (except for loans to pay a premium on any policy issued by us) for up to six months after we receive your request. If we defer any such payment for more than 30 days after we receive your request, we will pay interest at the rate required by the state in which this policy is delivered, and such rate will be at least equal to the Guaranteed Interest Rate shown in the Policy Specifications.

Annual Report – A report will be mailed to your last known address no less frequently than annually. This report will show:

- The beginning and end dates of the reporting period;
- The Accumulated Value at the beginning and end of the reporting period;
- Amounts that have been credited or debited to the Accumulated Value during the reporting period, identified by type;
- The Death Benefit at the end of the reporting period on each life covered by the policy;
- The Net Cash Surrender Value at the end of the reporting period;
- Any Policy Debt outstanding at the end of the reporting period;
- A notice if the Net Cash Surrender Value will not be sufficient to keep the policy In Force until the end of the next reporting period, unless further premium payments are made;
- Any other information required by law.

Policy Illustrations – Upon request we will give you a hypothetical illustration of the future benefits under this policy based upon both guaranteed and current cost factor assumptions. Such illustrations reflect assumptions about the policy's non-guaranteed elements and about how you will use the policy's options. Over time the policy's actual non-guaranteed elements, and your actual use of the policy's options, are

likely to vary from the assumptions used in such illustrations. For these reasons, actual policy values will likely be more or less favorable than shown in such illustrations. We reserve the right to charge a fee not to exceed \$25 for each illustration in excess of one per policy year.

Juvenile Insured – This provision only applies if the Insured was under Age 20 on the Policy Date. Beginning when the Insured attains Age 20, you will have an opportunity to improve your Policy's Risk Class as compared with the Risk Class that applied prior to Age 20. This may reduce the actual Cost of Insurance Charge that is deducted from your Policy's Accumulated Value. At least 60 days prior to the Insured's Age 20, we will send to your last known address a notice of your right to apply for an improved Risk Class for the Insured of "Nonsmoker". In order to qualify for such improved Risk Class, you will be required to supply Evidence of Insurability. In order for such improved Risk Class to take effect at Age 20, you must make the Written Request prior to Age 20. If you do not request an improved Risk Class for the Insured, a Risk Class of "Smoker" will be assigned.

Basis of Values – All nonforfeiture values for this policy will be at least equal to the minimums required by the state in which this policy was delivered. A detailed statement showing how such values are determined has been filed with the insurance department in states that require such filing. To calculate the minimum required nonforfeiture values, we use the Fixed Account Guaranteed Interest Rate shown in the Policy Specifications or the rate required by your State and mortality rates from the 2001 CSO mortality tables using age nearest birthday. The rates we use are the same for both smokers and nonsmokers and are sex-distinct unless this policy is issued on a unisex basis, in which case gender-blended rates are used (80% male, 20% female).

Cash values available under the policy are not less than the minimum values and benefits required by or pursuant to the NAIC Universal Life Insurance Regulation, model #585.

Tax Qualification as Life Insurance – This policy is intended to qualify as a life insurance contract for federal tax purposes, and the Death Benefit under this policy is intended to qualify for federal income tax exclusion. The policy, including any rider, benefit or endorsement that does not specifically override this tax qualification provision, shall be interpreted to ensure and maintain such tax qualification, despite any other provision to the contrary. At no time shall the amount of Death Benefit under this policy ever be less than the minimum amount needed to ensure or maintain such tax qualification. If need be, the Death Benefit shall be increased retroactively and prospectively to the minimum extent necessary to accomplish that purpose. In addition, the Accumulated Value will be reduced to reflect the increased Monthly Deductions that result from such Death Benefit increase(s), starting on the date that each increase is effective. **As of the effective date of the filing of this policy in the state in which it was delivered, the Internal Revenue Service has not published final guidance on the tax treatment of life insurance policies that continue coverage beyond Age 100. You should consult your tax advisor, as there may be tax consequences.**

We will not accept a premium payment that would cause the policy to fail to qualify as a life insurance contract for federal tax purposes. If at any time the premiums paid under the policy exceed the amount allowable for such tax qualification, the excess amount, including any interest as determined under federal tax law, shall be removed from the policy as of the date of its payment, and any appropriate adjustments in the Death Benefit and/or Accumulated Value shall be made as of such date. This excess amount, including such interest, shall be refunded no later than 60 days after the end of the applicable contract year, as determined under federal tax law.

If this excess amount is not refunded by the end of such 60-day period, the Death Benefit shall be increased retroactively and prospectively to the minimum extent necessary so that at no time is the Death Benefit ever less than the minimum amount necessary to ensure or maintain such tax qualification. In addition, the Accumulated Value will be reduced to reflect any increased Monthly Deductions that result from such Death Benefit increase, starting on the date that the increase is effective.

If you request a decrease in policy or rider benefits, it may cause a reduction in any applicable tax limits on premiums or cash values for the policy to maintain such tax qualification. Such a reduction in these limits may require us to make a distribution from the policy equal to the greatest amount by which the premiums paid or cash values for the policy, exceed any such reduced limits, as determined under

federal tax law, in order to maintain the policy's tax qualification. If such a distribution is made, the distribution will be paid to you and the Accumulated Value will be reduced by the amount of the distribution. However, no request for a decrease in policy or rider benefits will be allowed to the extent that we determine that the resulting reduction in such tax limits would require us to distribute more than the Net Cash Surrender Value for the policy.

Modified Endowment Contract Tax Status – Unless and until you have given us a Written Request to accept a Modified Endowment Contract ("MEC") classification for your policy, the provisions of this Modified Endowment Contract Tax Status subsection apply to your policy.

Under federal tax law, if the funding of a life insurance contract occurs too rapidly, it becomes a MEC and fails to qualify for certain favorable tax treatment as a result. This policy is intended to qualify as a life insurance contract that is not a MEC for federal tax purposes. To achieve these purposes, the provisions of this policy (including any rider or endorsement that does not specifically override this tax qualification provision) shall be interpreted to prevent this policy from being subject to such MEC treatment, despite any other provision to the contrary. If and while the provisions of this subsection apply to your policy, at no time shall the amount of death benefit under this policy ever be less than the minimum amount needed to avoid such MEC treatment.

We will not accept a payment as premium or otherwise which would cause the policy to become a MEC. The 7-Pay Premium, shown on Page 3.0, is used solely to determine the policy's premium limits to avoid MEC treatment. Payment of one or more 7-Pay Premium amounts does not guarantee that the policy will never lapse, and additional premiums may be necessary to prevent the policy from lapsing in the future.

If at any time the amounts paid under the policy exceed the limit for avoiding such MEC treatment, this excess amount, including any interest as determined under federal tax law, shall be removed from the policy as of the date of its payment, and any appropriate adjustment in the Death Benefit and/or Accumulated Value shall be made as of such date. This excess amount, including any interest, shall be refunded no later than 60 days after the end of the applicable contract year, as determined under federal tax law.

If this excess amount is not refunded by the end of such 60-day period, the Death Benefit shall be increased retroactively and prospectively to the minimum extent necessary (e.g., to the end of any MEC 7-year test period) so that at no time is the Death Benefit ever less than the minimum amount necessary to avoid Modified Endowment Contract classification. In addition, the Accumulated Value will be reduced to reflect any increased Monthly Deductions resulting from such Death Benefit increase, starting on the date that the increase is effective.

Any request that would change the Death Benefit or any other benefit or rider under the policy will not be processed if the change would cause the policy to be classified as a Modified Endowment Contract. Requested changes that could cause the policy to be classified as a Modified Endowment Contract include, but are not limited to, an elective reduction in the Total Face Amount, a Death Benefit Option change that would cause a reduction in the Total Face Amount, and a withdrawal that would cause a reduction in the Total Face Amount.

Other Distributions of Accumulated Value – If the Net Amount at Risk ever exceeds three times the original Total Face Amount, we reserve the right to make a distribution of Accumulated Value to make the Net Amount at Risk equal three times the original Total Face Amount. In such case, the distribution will be treated as a premium refund. Note that while such a distribution will be treated as a premium refund for certain contract purposes, normal tax rules will apply in determining the amount of such a distribution, if any, which is taxable.

Additional Services – While this policy is In Force, we may, either directly or through a third party service provider, provide you with access to independent living-related resources and discounted independent living-related goods and services.

Compliance – We reserve the right to make any change to the provisions of this policy to comply with, or give you the benefit of, any federal or state statute, rule, or regulation, including but not limited to

requirements for life insurance contracts under the Code or of any state. We will provide you with a copy of any such change, and file such a change with the insurance supervisory official of the state in which this policy is delivered. You have the right to refuse any such change where allowed by state law.

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PACIFIC LIFE

Pacific Life Insurance Company • [45 Enterprise • Aliso Viejo, CA 92656]

www.PacificLife.com

(800) 347-7787

INDEXED ADJUSTABLE LIFE INSURANCE

- Death Benefit Payable On The Death Of The Insured
- Net Cash Surrender Value Payable Upon Surrender
- Index-Linked Interest Option
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- Terminal Illness Benefit (Accelerated Death Benefit)

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|---------------------------------|--|-------------------------------|--|
| <i>SERFF Tracking Number:</i> | <i>PALD-127350160</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>Filing Company:</i> | <i>Pacific Life Insurance Company</i> | <i>State Tracking Number:</i> | <i>50008</i> |
| <i>Company Tracking Number:</i> | <i>P11P11</i> | | |
| <i>TOI:</i> | <i>L09I Individual Life - Flexible Premium</i> | <i>Sub-TOI:</i> | <i>L09I.101 External Indexed - Single Life</i> |
| | <i>Adjustable Life</i> | | |
| <i>Product Name:</i> | <i>P11P11</i> | | |
| <i>Project Name/Number:</i> | <i>P11P11/</i> | | |

Supporting Document Schedules

| | | |
|--|---------------------|---------------|
| | Item Status: | Status |
| | | Date: |

Satisfied - Item: Flesch Certification

Comments:

Attachments:

Readability Certification.pdf
 AR1.pdf
 AR Reg 19 Cert of Compliance.pdf
 AR EI Guidelines Cert of Compliance.pdf
 AR Cert. of Compliance EI-Mktg (s).pdf
 Pacific Prime IUL Mktg Plan.pdf
 Bulletin 11-83 (signed copy).pdf
 AR Hedging Cert of Compliance (s).pdf
 AR Reg 34 Cert of Compliance (s).pdf
 ST81 (Bulletin 11-88).pdf
 Prime IUL Descr.pdf
 Prime IUL Rate Book.pdf

| | | |
|--|---------------------|---------------|
| | Item Status: | Status |
| | | Date: |

Satisfied - Item: Application

Comments:

The form will be used with applications A10IUW2 approved 03/17/2010 and application A09IUW2 approved 09/16/2009.

| | | |
|--|---------------------|---------------|
| | Item Status: | Status |
| | | Date: |

Bypassed - Item: Health - Actuarial Justification

Bypass Reason: Not applicable to this filing.

Comments:

| | | |
|--|---------------------|---------------|
| | Item Status: | Status |
|--|---------------------|---------------|

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|---------------------------------|--|-------------------------------|--|
| <i>SERFF Tracking Number:</i> | <i>PALD-127350160</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>Filing Company:</i> | <i>Pacific Life Insurance Company</i> | <i>State Tracking Number:</i> | <i>50008</i> |
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| <i>TOI:</i> | <i>L09I Individual Life - Flexible Premium</i> | <i>Sub-TOI:</i> | <i>L09I.101 External Indexed - Single Life</i> |
| | <i>Adjustable Life</i> | | |
| <i>Product Name:</i> | <i>P11P11</i> | | |
| <i>Project Name/Number:</i> | <i>P11P11/</i> | | |

Date:

Bypassed - Item: Outline of Coverage
Bypass Reason: Not applicable to this filing.
Comments:

Item Status:

Status
Date:

Satisfied - Item: Actuarial Memorandum and
Appendices

Comments:

Attachments:

Act Memo.pdf

Act Appendices 1-7.pdf

Item Status:

Status
Date:

Satisfied - Item: Illustration and Illustration Actuarial
Certification

Comments:

Attachments:

Prime IUL Sample Illustration.pdf

Illustration Actuarial Cert.pdf

READABILITY CERTIFICATION

Form Filing for: **Pacific Life Insurance Company**

Policy Form Numbers & Flesch Scores: P11P1I 51.1

(Flesch test was made for entire form, not for selected samples.)

Test type: 10 point

I certify that in my judgment this filing is:

- **READABLE** (simple sentence structure – shortness of sentences – use of common words – avoidance of legal and technical terms to greatest possible extent and defining of those terms which cannot be avoided – minimum of cross-references).
- **LEGIBLE** (ample type size for text with contrasting type for headings and subheadings – ample space between lines – ample white space in margins and between section – ample ink-to-paper contrast).
- **IN LOGICAL ORDER AND FORMAT** (table of contents or index included – sections and subsections self-contained and arranged in logical flow – extensive use of headings and subheadings to facilitate location of particular items – outline form used where desirable for clarity).

I believe this filing:

- Meets or exceeds the requirements of the policy readability legislation already enacted in numerous states; and
- Meets or exceeds the requirements of the NAIC Model Bill on language simplification.

Signed for the Company at Aliso Viejo, California on

08/26/2011



SIGNATURE

THOMAS S. BEADLESTON

NAME

VICE PRESIDENT

TITLE

LIMITATIONS AND EXCLUSIONS UNDER THE ARKANSAS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION ACT

Residents of this state who purchase life insurance, annuities or health & accident insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association"). The purpose of the Guaranty Association is to assure that policy and contract owners will be protected, within certain limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of policy owners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by the member insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting insurance companies that are well managed and financially stable.

DISCLAIMER

The Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association") may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions and require continued residency in this state. You should not rely on coverage by the Guaranty Association in purchasing an insurance policy or contract.

Coverage is NOT provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

The Arkansas Life and Health Insurance Guaranty Association
c/o The Liquidation Division
1023 West Capitol
Little Rock, Arkansas 72201-1904

Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

The state law that provides for this safety net is called the Arkansas Life and Health Insurance Guaranty Association Act ("Act"). Below is a brief summary of the Act's coverages, exclusions and limits. This summary does not cover all provisions of the Act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

COVERAGE

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life, annuity or disability insurance contract or policy, or if they are insured under a group insurance contract issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons owning such policies are NOT protected by the Guaranty Association if:

- They are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- The insurer was not authorized to do business in this state;
- Their policy or contract was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does NOT provide coverage for:

- Any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract;
- Any policy of reinsurance (unless an assumption certificate was issued);
- Interest rate yields that exceed an average rate;
- Dividends and voting rights and experience rating credits;
- Credits given in connection with the administration of a policy by a group contract holder;
- Employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- Unallocated annuity contracts (which give rights to group contract holders, not individuals);
- Unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC")(whether the FPBC is yet liable or not);
- Portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- Portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- Obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- Contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliated benefit plan or its trustees).

LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover: The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or net cash surrender values - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a \$1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer.

PACIFIC LIFE INSURANCE COMPANY
45 Enterprise Drive · Aliso Viejo · California · 92656

STATE OF ARKANSAS

CERTIFICATION OF COMPLIANCE

RE: P11P1I

I hereby certify that to the best of my knowledge and belief, the above forms and their submission comply with Regulation 19, as well as the other laws and regulations of the State of Arkansas.

Signed for the Company at Aliso Viejo, California on 08/31/2011



SIGNATURE

Thomas S. Beadleston

NAME

Vice President

TITLE

Contact Person:

Hong Do
Compliance Analyst, Product Compliance, 800-800-6416, extension 8576.

PACIFIC LIFE INSURANCE COMPANY
45 Enterprise Drive • Aliso Viejo • CA • 92656

STATE OF ARKANSAS

CERTIFICATION OF COMPLIANCE

P11P11

RE: _____

I hereby certify that the External Indexed Contract Guidelines have been reviewed, and to the best of my knowledge and belief, the above forms and their submission comply with the requirements of such Guidelines.

Signed for the Company at Aliso Viejo, California on 09/06/2011



SIGNATURE

Thomas S. Beadleston

NAME

Vice President

TITLE

PACIFIC LIFE INSURANCE COMPANY
45 Enterprise Drive · Aliso Viejo · California · 92656

STATE OF ARKANSAS
CERTIFICATION OF COMPLIANCE

RE: PI1P11

I hereby **certify**, as required by the Agent Education section of the Arkansas
External-Indexed Contract Guidelines, that the contract noted will not be solicited
by any person who is not trained and qualified

Signed for the Company at Aliso Viejo, California on

Aug. 31, 2011



SIGNATURE

Alyce Peterson

NAME

VICE PRESIDENT

TITLE

Contact Person:

Hong Do

Compliance Analyst, Product Compliance, 800-800-6416, extension 8576

PACIFIC LIFE INSURANCE COMPANY
Form P11P1I or ICC11 P11P1I
Marketing Plan and Producer Training Program

We market each of our products, including those referenced above, through independent producers. Marketing material, including material for producer use only, is made available to the field. Products are then introduced through various regional meetings and/or webinars of field personnel where the training material is presented.

The materials used in training include the **Client Brochure** as well as materials developed for producer use only:

- Rates and Value Book
- Product Description Page

These two pieces have been attached to this filing for your review.

PACIFIC LIFE INSURANCE COMPANY
45 Enterprise Drive • Aliso Viejo • California • 92656

STATE OF ARKANSAS

**CONSENT TO SUBMIT RATES AND/OR
COST BASES FOR APPROVAL**

The Pacific Life Insurance Company ("Company") of Aliso Viejo, CA does hereby consent and agree
(Company Name) City and (State)

A) that all premium rates and/or cost bases both "maximum" and "current or projected," used in Relation to policy form number P11P11 must be filed with the Insurance Commissioner for the State of Arkansas ("Commissioner") at least sixty (60) days prior to their proposed effective date. Such rates and/or cost bases shall be deemed effective sixty (60) days after they are filed with the Commissioner, unless the Commissioner shall approve or disapprove such rates and/or cost bases prior to the expiration of sixty (60) days

or

B) that where the policy is a flexible or indeterminate premium whole life policy which provides for frequent changes in interest rates based on financial market conditions, the company may file a range of rates it will stay within and will notify the Department at least sixty (60) days prior to any change in the range of rates. The company must also document the method used to calculate its premium and range of rates.

Signed for:

Pacific Life Insurance Company
(Company Name)

 9/19/11
(Signature)

Lawrence Herold
(Name)

Asst Vice President
(Title or Position)

(Arkansas)

PACIFIC LIFE INSURANCE COMPANY
45 Enterprise Drive · Aliso Viejo · CA · 92656

STATE OF ARKANSAS

CERTIFICATION OF COMPLIANCE

RE: P11P11

I hereby certify that this form satisfies the Arkansas External-Indexed Contract Guidelines' requirement that "the company will establish and maintain a detailed file defining the system for hedging. Results of regular analysis of the effectiveness of the system should be made a part of the file "

Signed for the Company at Aliso Viejo, California on

9/19/11



SIGNATURE

Lawrence Hersh, FSA, MAAA

NAME

Assistant Vice President

TITLE

PACIFIC LIFE INSURANCE COMPANY
45 Enterprise Drive · Aliso Viejo · CA · 92656

STATE OF ARKANSAS

CERTIFICATION OF COMPLIANCE

P11P11

RE: _____

I hereby certify that to the best of my knowledge and belief, the above forms and their submission comply with Regulation 34.

Signed for the Company at Aliso Viejo, California on

9/19/11



SIGNATURE

Lawrence Hersh, FSA, MAAAA

NAME

Assistant Vice President

TITLE

IMPORTANT NOTICE

In the event you need to contact someone about this policy for any reason, please contact the Producer/Representative who delivered the policy to you.

PRODUCER/REPRESENTATIVE'S NAME: _____

PRODUCER/REPRESENTATIVE'S ADDRESS: _____

PRODUCER/REPRESENTATIVE'S TELEPHONE NUMBER: _____

If you have additional questions, you may contact the insurance company issuing this policy at the following address and telephone number:

PACIFIC LIFE CUSTOMER SERVICE
45 ENTERPRISE DRIVE
ALISO VIEJO, CA 92656
(800) 800-7681

If you have been unable to contact or obtain satisfaction from the company or the Producer/Representative who delivered the policy to you, you may contact the Arkansas Bureau of Insurance at:

ARKANSAS INSURANCE DEPARTMENT
CONSUMER SERVICES DIVISION
1200 W. THIRD STREET
LITTLE ROCK, AR 72201-1904
(501) 371-2640
(800) 852-5494

Pacific Prime Indexed Universal Life (IUL)¹

Flexible Premium, Indexed Universal Life Insurance

Balance It — Global Potential and Protection

Key Benefits

Permanent death benefit protection with:

- Global growth potential based in part on performance of U.S. and international indexes, excluding dividends.
- Protection from market-based losses via Guaranteed Minimum Rates (floor).
- 2% Interest Guarantee upon policy surrender, insured's death, or in determining lapse. See below.
- Option to guarantee no-lapse protection up to age 90.²
- Supplemental income potential with tax-free³ policy loans and withdrawals.

2 Indexed Accounts for Global Potential

Pacific Prime IUL's Indexed Accounts earn interest based in part on the performance of index(es), excluding dividends, for market-based growth potential without any direct participation in stock or equities markets. All premiums (less a premium load) are applied to the Fixed Account. Net premiums may be reallocated from the Fixed Account to any choice of Indexed Account as frequently as the 15th of every month.⁴

- **U.S Growth Potential** —
Based on S&P 500® index⁵
- **International Growth Potential** —
Based on a composite of three
International Indexes

| Indexed Account | Index(es) (excluding dividends) | Interest Crediting Method |
|-----------------------------------|--|--|
| 1-Year | S&P 500® | 1-Year point-to-point measurement of S&P 500® index, excluding dividends, applied to [13%] current Growth Cap and 0% guaranteed floor |
| 1-Year International ⁶ | Composite of (1/3 each): <ul style="list-style-type: none">• Hang Seng Index⁷• EURO STOXX 50® Index⁸• MSCI Emerging Markets™ Index⁹ | 1-Year point-to-point measurement of each index, excluding dividends, applied to [13%] current Cap Rate and 0% Guaranteed Floor and averaged to produce final crediting rate |

1 Fixed Account

| Current Interest Rate | Guaranteed Interest Rate |
|--|--------------------------|
| Guaranteed during Policy Year 1, subject to change thereafter. Interest calculated daily, credited monthly. | Minimum: 2.00% |

2% Interest Guarantee

The 2% Interest Guarantee calculates an alternate cash value that, if higher than the policy's actual cash value, may be used to help prevent potential policy lapse or may increase the amount available upon a policy surrender or death benefit payout. The alternate cash value is calculated using current policy charges but earns 2% annual interest from the date of issue. See the Rates & Values book for details.

No-Lapse Guarantee Up to Age 90

Medium Duration No-Lapse Guarantee II Rider^{2,10} — Optional rider that must be requested at policy application. Guarantees the policy will not lapse up to insured's age 90 provided the rider's net no-lapse guarantee value¹¹ is greater than zero. There is an additional cost for the rider and it is available to insureds issue ages 20 to 80.



PACIFIC LIFE

Pacific Life Insurance Company

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Attractive Access Options

Policyowners can access policy cash value to supplement income in 2 ways:

- **Withdrawals** — Available after 1st policy year. Minimum amount is \$200 and \$500 of Net Cash Surrender Value must remain in the policy. Fee of \$25/withdrawal currently waived.
- **Policy Loans** — There is a \$200 minimum, subject to following:

| Policy Year | Interest Charged to Loan Account | Interest Credited to Policy's Unloaned Cash Value | Net Cost |
|------------------|----------------------------------|---|----------|
| All (guaranteed) | 2.25% | 2.00% | 0.25% |
| 6+ (current) | 2.25% | 2.25% | 0.00% |

Automated Income Option — Schedules policy distributions to deposit directly into policyowners' bank account. One-time administrative charge to use this service and it is subject to eligibility requirements.

Overloan Protection II Rider (Form #R08OLP)^{10,12} — Designed for policyowners who plan to take maximum loans from their policy, the rider helps protect the policy from lapse if the policy debt exceeds the cash value. Subject to eligibility and exercise requirements and a one-time charge applies to exercise the rider. See Rates and Values Book for details.

Adjustable Death Benefit

- **Minimum:** \$50,000 (at issue).
- **Death Benefit Options:** A (Level), B (Increasing), and C (Return of Premium).¹³ May switch as often as yearly, subject to policy limits.
- **Increases:** Not allowed.
- **Decreases:** After 1st policy year, may occur once per year. Minimum after all decreases taken must be no less than \$1,000.

Terminal Illness Benefit¹⁴

Gives the policyowner access to a portion of the death benefit if the primary insured is diagnosed as terminally ill with 12 months or less to live. In California, this benefit is optional and must be elected at application as the Accelerated Living Benefit Rider (Form #R06ALB).¹⁰ For all other states, the Terminal Illness Benefit is a standard feature of the policy.

Diverse Risk Classes

Male, Female, and Unisex (issue ages):

| | |
|--|--|
| Super Preferred Nonsmoker (ages 20–75) | Preferred Smoker (ages 20–75) |
| Preferred Plus Nonsmoker (ages 20–75) | Standard Smoker (ages 20–90) |
| Preferred Nonsmoker (ages 20–85) | Juvenile (ages 0–19) |
| Standard Nonsmoker (ages 20–90) | Guaranteed Issue and Simplified Issue are not available. |

Other Optional Riders¹⁰

- Annual Renewable Term Rider–Additional Insured (Form #R08RTA)
- Waiver of Charges Rider (Form #84-WC)

Indexed universal life insurance generally requires additional premium payments after the initial premium. If either no premiums are paid, or subsequent premiums are insufficient to continue coverage, it is possible that coverage will expire.

Endnotes

- 1 Pacific Prime IUL (Policy Form #P11P1I — form # based on state in which policy is issued) is referred to as indexed adjustable life insurance in the contract.
- 2 The Medium Duration No-Lapse Guarantee II Rider (Form #R03FNL or ICC11 R03FNL — form # based on state in which policy is issued), depending on how your client structures their policy, has a maximum duration to the insured's age 90. If your client's net no-lapse guarantee value is zero, the no-lapse feature terminates. If the no-lapse feature terminates, additional premiums would be required to resume the no-lapse guarantee. If policy performance is such that your client's policy is being maintained solely by the no-lapse guarantee, your client's policy will not build cash value.
- 3 Tax-free income assumes, among other things: (1) withdrawals do not exceed tax basis (generally, premiums paid less prior withdrawals); (2) policy remains in force until death; (3) withdrawals taken during the first 15 policy years do not occur at the time of, or during the two years prior to, any reduction in benefits; and (4) the policy does not become a modified endowment contract. See IRC Sections 7702(f)(7)(B), 7702A. Any policy withdrawals, loans and loan interest will reduce policy values and may reduce benefits.
- 4 On current basis. Guaranteed: Once per quarter. In order to process a transfer, Pacific Life Insurance Company must receive policyowner's transfer instructions and funds must be available in the Fixed Account at least 2 business days prior to the 15th of the requested transfer month.
- 5 "S&P 500", "Standard & Poor's 500™" and "S&P 500" are trademarks of Standard & Poor's and have been licensed for use by Pacific Life Insurance Company. The life insurance product is not sponsored, endorsed, sold or promoted by Standard & Poor's, and Standard & Poor's makes no representation regarding the advisability of purchasing a life insurance product.
- 6 1-Year International Indexed Account is referred to in the contract as the 1 Year Indexed Account 2.
- 7 Hang Seng Indexes Company Limited ("HSIL") and Hang Seng Data Services Limited ("HSDS") have licensed Pacific Life Insurance Company to use the Hang Seng Index in connection with this life insurance product. This product and its 1-Year International Indexed Account are not sponsored, endorsed, sold or promoted by HSIL or HSDS. HSIL and HSDS make no representation regarding the advisability of purchasing a life insurance product. Please read the disclaimer in relation to the Hang Seng Index in the policy illustration. For more information about the Hang Seng Index, please visit www.hsi.com.hk.
- 8 The EURO STOXX 50® is the intellectual property (including registered trademarks) of STOXX Limited, Zurich, Switzerland and/or its licensors ("Licensors"), which is used under license. The Product that includes the Index is in no way sponsored, endorsed, sold or promoted by STOXX and its Licensors and neither of the Licensors shall have any liability with respect thereto.
- 9 The Product and its 1-Year International Indexed Account referred to herein is not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such Product and any included index. The Policy Contract contains a more detailed description of the limited relationship MSCI has with Pacific Life Insurance Company and any related Product.
- 10 Riders will likely incur additional charges and are subject to availability, restrictions, and limitations. Clients should be shown policy illustrations with and without a rider to show the rider's impact on policy values.
- 11 The net no-lapse guarantee value is a policy calculation that mirrors the growth of the policy's cash value, but grows at a different rate and is reduced by different charges than the policy's cash value. It cannot be accessed through withdrawals or policy loans and is merely a calculation to determine if the medium duration no-lapse guarantee is in effect.
- 12 The potential tax consequences of the Overloan Protection II Rider have not specifically been ruled on by the IRS or the courts. Please consult your tax advisor for more information.
- 13 The maximum issue age for Death Benefit Option C is 80. The maximum Death Benefit calculated will not exceed the amount shown in the Policy Specifications as the "Option C Death Benefit Limit" except as described in the Death Benefit Qualification Test, Tax Qualification as Life Insurance, and Modified Endowment Contract Tax Status sections of the Policy unless a greater amount is necessary to satisfy the IRC Section 7702 Minimum Death Benefit requirements or to avoid classification as a Modified Endowment Contract under IRC Section 7702A without your consent.
- 14 The Terminal Illness Benefit and Accelerated Death Benefit Rider are subject to state requirements and may impact Medicaid benefits. Some states may require a diagnosis of terminally ill with 24 months or fewer to live. Clients should consult their legal advisor for more information.

This material is not intended to be used, nor can it be used by any taxpayer, for the purpose of avoiding U.S. federal, state or local tax penalties. This material is written to support the promotion or marketing of the transaction(s) or matter(s) addressed by this material. Pacific Life Insurance Company, its distributors and their respective representatives do not provide tax, accounting or legal advice. Any taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.



Pacific Life Insurance Company
Newport Beach, CA 92660
(800) 800-7681
www.PacificLife.com

Pacific Life Insurance Company is licensed to issue individual life insurance and annuity products in all states except New York. Product availability and features may vary by state. Product and rider guarantees are backed by the financial strength and claims-paying ability of Pacific Life Insurance Company. Policyowners must look to the strength of the life insurance company with regard to such guarantees.

The life insurance producer or life insurance producer's firm is not responsible for any policy guarantees.

Non-guaranteed elements are not guaranteed by definition. As such, Pacific Life Insurance Company reserves the right to change or modify any non-guaranteed element. This right to change non-guaranteed elements is not limited to a specific time or reason.

Some selling entities, which may include bank affiliated entities, may limit availability of some optional riders based on their client's age and other factors. Your firm can help you determine which optional riders are available and appropriate for your clients.

Pacific Life Insurance Company's individual life insurance products are marketed exclusively through independent third-party life insurance producers, which may include bank affiliated entities.

Investment and Insurance Products:
Not a Deposit — Not FDIC Insured — Not Insured by any Federal Government Agency — No Bank Guarantee — May Lose Value

[NOVEMBER 2011]

Pacific Prime Indexed Universal Life*

INDEXED UNIVERSAL LIFE INSURANCE*

Rates & Values



PACIFIC LIFE

Pacific Life Insurance Company

* Referred to as *Indexed Adjustable Life Insurance* in the contract.

PPIUL-3

For Life Insurance Producer Use Only.
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*If you have questions regarding the information contained
in this booklet, please call the Pacific Life Insurance
Company Marketing Department at (800) 800-7681.*

PACIFIC PRIME INDEXED UNIVERSAL LIFE*
(PACIFIC PRIME IUL)
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** Referred to the in the contract as Indexed Adjustable Life Insurance.*

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Indexed Universal Life insurance generally requires additional premium payments after the initial premium. If either no premiums are paid, or subsequent premiums are insufficient to continue coverage, it is possible that coverage will expire.

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PACIFIC PRIME INDEXED UNIVERSAL LIFE (PACIFIC PRIME IUL)

GENERAL INFORMATION

Pacific Prime IUL (Policy Form #P11P1I or ICC11 P11P1I¹) is a flexible premium, indexed universal life insurance product. This product insures the life of an individual and pays a death benefit to the insured's beneficiaries as long as the policy is in-force at the time of the insured's death. The policyowner can choose the frequency and amount of the premium payments made to the policy. Policyowners may allocate the policy's Accumulated Value to one or a combination of the following accounts:

- 1-Year Indexed Account
- 1-Year International Indexed Account²
- Fixed Account

Global Growth Opportunities

Pacific Prime IUL offers policyowners a choice of two indexed accounts for global growth potential. The policy does not directly participate in any stock or equity investments to do so.

S&P 500[®] Index-Based Performance — The S&P 500[®] index³ (S&P 500[®]) is widely recognized as the premier benchmark of U.S. stock market performance. The interest credited to the 1-Year Indexed Account is based in part by the performance of the S&P 500[®], excluding dividends, subject to the account's current Participation Rate, Growth Cap, and Guaranteed Minimum Interest Rate.

International Index-Based Performance — The 1-Year International Indexed Account credits interest based in part on the performance of a composite of 3 international indexes, all excluding dividends, in equal parts (1/3 each):

- Hang Seng Index⁴
- EURO STOXX[®] 50 Index⁵

¹ Policy form number based on state in which policy is issued.

² Known in the contract as 1 Year Indexed Account 2.

³ "S&P 500[®]", "Standard & Poor's 500TM" and "S&P[®]" are trademarks of Standard & Poor's and have been licensed for use by Pacific Life Insurance Company. The life insurance product is not sponsored, endorsed, sold, or promoted by Standard & Poor's, and Standard & Poor's makes no representation regarding the advisability of purchasing a life insurance product.

⁴ Hang Seng Indexes Company Limited ("HSIL") and Hang Seng Data Services Limited ("HSDS") have licensed Pacific Life Insurance Company to use the Hang Seng Index in connection with this life insurance product. This product and its 1-Year International Indexed Account are not sponsored, endorsed, sold, or promoted by HSIL or HSDS. HSIL and HSDS make no representation regarding the advisability of purchasing a life insurance product. Please read the disclaimer in relation to the Hang Seng Index in the policy illustration. For more information about the Hang Seng Index, please visit www.hsi.com.hk.

- MSCI Emerging MarketsSM Index⁶

The performance of each international index in the composite is subject to the 1-Year International Indexed Account's current Participation Rate, Growth Cap, and Guaranteed Minimum Interest Rate then averaged to result in the overall crediting rate for that account.

See the ***Indexed Interest Crediting Process*** section for details.

TERMINOLOGY

Pacific Prime IUL literature contains many of the following terms:

Accumulated Value (Cash Value)

The sum of premiums paid less a one-time premium load on each premium payment, less monthly policy charges, plus credited interest.

Cash Surrender Value

The Accumulated Value reduced by a Surrender Charge, if applicable.

Face Amount

Life insurance coverage on primary insured.

Growth Cap

The maximum interest crediting rate an Indexed Segment may receive over its 1-Year Segment Term. The Growth Cap is declared at the beginning of each Segment's creation date and is guaranteed not to change for the entire Segment Term.

Guaranteed Minimum Interest Rate

The guaranteed minimum interest crediting rate an Indexed Segment may receive over its Segment Term.

Indexed Interest Crediting Rate

This reflects any growth in the Index(es), subject to each Indexed Account's current Participation Rate, Growth Cap, and Guaranteed Minimum Interest Rate. In the 1-Year International Indexed Account, the crediting rate is the

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⁶ The Product and its 1-Year International Indexed Account referred to herein is not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such Product and any included index. The Policy Contract contains a more detailed description of the limited relationship MSCI has with Pacific Life Insurance Company and any related Product.

average of each international index's performance rate after being applied to the account's current Participation Rate, Growth Cap, and Guaranteed Minimum Interest Rate.

Index Performance Rate

In calculating the indexed interest credit, the Index Performance Rate for the Segment Term is calculated first. The 1-Year and 1-Year International Indexed Accounts use a point-to-point measurement method of their related indexes. This means that the relevant Index's closing value on the Segment's creation date (point) is compared to the Index's closing value on the day before the Segment's maturity date (point). The difference becomes that Segment's Index Performance Rate.

Indexed Segment (Segment)

Each allocation from the Fixed Account to an Indexed Account creates a unit that measures a corresponding period of Index performance.

Lockout Period

If a deduction from an Indexed Account occurs as a result of policy loan or withdrawal that is not part of a systematic distribution (such as through the Automated Income Option), then the Lockout period applies. The Lockout period prevents transfers from the Fixed Account to the Indexed Accounts during the next 12 months following the date of the deduction. However, maturing segments within the Indexed Accounts will be allowed to reallocate into a new Segment during the Lockout period.

Monthly Payment Date

Also referred to as the monthiversary, this is the date of the month that corresponds to the policy issue date and is the date on which the monthly policy charges are due. For example, a policy issued on June 3 will have its policy charges deducted on the 3rd of each month.

Net Amount at Risk

The amount by which the death benefit exceeds the Accumulated Value.

Net Cash Surrender Value

The Accumulated Value reduced by the Surrender Charge and any policy loan debt.

Option C Death Benefit Limit (OCDBL)

The maximum death benefit allowed on a policy issued with Death Benefit Option C. This limit is calculated and set at the time the policy is issued and is displayed on the policy specification pages. Death Benefit Option C is subject to firm availability. See page 13 for details on all Death Benefit Options.

Participation Rate

The percentage of a Segment's Index Performance Rate used in the calculation of the indexed interest credit. The 1-Year and 1-Year International Indexed Accounts have a 100% guaranteed Participation Rate.

Planned Periodic Premium

The amount billed each year on the mode selected (annually, semiannually, quarterly, or monthly). This amount is specified in the application. The minimum recurring premium must be at least \$50 for any mode. If the premium mode is other than annual, the Planned Periodic Premium is the annualized equivalent of the modal premium.

Policy Loan

An amount borrowed against the Cash Surrender Value. Such amounts are charged simple interest annually in arrears and accrue simple interest annually.

Rider and Benefit Charges

Amounts deducted from the Accumulated Value each month for the charges associated with any optional riders and benefits added to the policy.

Segment Date

The date on which the Segment is created. Segments may be created as frequently as the 15th of every month.

Segment Maturity

The date at the end of a Segment Term on which we calculate any Segment Indexed Interest Credit and perform any Segment reallocation, if requested by the policyowner.

Seven-Pay Premium

The maximum amount of premium that can be paid so that the policy will not be considered a Modified Endowment Contract. Any distributions from a Modified Endowment Contract will be taxed on an income-first basis.

Surrender Charge

An amount deducted from the Accumulated Value upon full surrender of the policy.

Target Premium

A premium amount used for calculating commissions. This amount is not necessarily related to the Planned Periodic Premium or the minimum suggested premium.

Withdrawal

The payment of a portion of the Cash Surrender Value to the policyowner.

UNDERWRITING

RISK CLASSES – AT-A-GLANCE

| Risk Classification | Gender | Issue Ages |
|--|----------------------|-------------------|
| Super Preferred Nonsmoker | Male, Female, Unisex | 20–75 |
| Preferred Plus Nonsmoker | | 20–75 |
| Preferred Nonsmoker | | 20–85 |
| Standard Nonsmoker | | 20–90 |
| Preferred Smoker | | 20–75 |
| Standard Smoker | | 20–90 |
| Juvenile | | 0–19 ⁷ |
| <i>Guaranteed Issue and Simplified Issue</i> | <i>Not Available</i> | |

UNDERWRITING & RISK CLASSIFICATIONS

- **Super Preferred Nonsmoker** — an applicant who has not used tobacco in any form* in the last 60 months and meets the additional Super Preferred Nonsmoker requirements shown in the following pages.
- **Preferred Plus Nonsmoker** — an applicant who has not used tobacco in any form* in the last 36 months and meets the additional Preferred Plus Nonsmoker requirements shown in the following pages.
- **Preferred Nonsmoker** — an applicant who has not used tobacco in any form* for 36 months prior for issue ages 60+, and for 24 months through issue age 59, and meets the Preferred Nonsmoker requirements shown in the following pages.
- **Standard Nonsmoker** — an applicant who has not smoked cigarettes in the last 12 months and has no other ratable health impairments.
- **Preferred Smoker** — an applicant who smokes cigarettes and meets the additional Preferred Smoker requirements shown in the following pages.
- **Standard Smoker** — an applicant who smokes cigarettes and has no other ratable health impairments.

**Liberal Smoking Definitions — The occasional use of cigars or pipes may qualify, provided the applicant can meet the other requirements outlined in the following pages.*

Minimum Death Benefit of \$100,000 required with Super Preferred Nonsmoker, Preferred Plus Nonsmoker, Preferred Nonsmoker, and Preferred Smoker classes.

⁷ Juveniles are not fully underwritten.

Super-Preferred Nonsmoker

1. No tobacco use for 60 months prior. *The occasional use of cigars or pipes may qualify only when there has been no cigarette smoking in the past 5 years, the use is declared on the application and/or exam, the urinalysis is negative for Cotinine, and all other Super Preferred criteria are met without exception.*
2. Blood pressure no greater than 135/85 for all ages.
3. No associated health history with 20 or more debits, indicating higher mortality.
4. No history of Diabetes, Coronary Artery Disease, or ratable malignancy, even if a standard risk otherwise. Treated hypertension may qualify if well controlled for the past 24 months.
5. No debits on exam, blood profile, or EKG (resting or treadmill).
6. No hazardous non-medical features such as drug/alcohol abuse, etc. No history of DUI/DWI or reckless driving within the last 5 years, no more than 2 moving violations in the last 3 years, nor more than 1 in the last 6 months.
7. Blood chemistry profile values must be within lab normal ranges and the Cholesterol/HDL ratio must be less than or equal to 5.5.
8. No family deaths from heart disease, hypertension, cancer, or diabetes under age 50 in parent or siblings; no two deaths under age 60 from same list.
9. Height/weight requirements as follows:

| Height | Weight | Height | Weight |
|--------|--------|--------|--------|
| 4'10" | 137 | 5'10" | 190 |
| 4'11" | 141 | 5'11" | 196 |
| 5'0" | 145 | 6'0" | 202 |
| 5'1" | 149 | 6'1" | 208 |
| 5'2" | 153 | 6'2" | 215 |
| 5'3" | 157 | 6'3" | 221 |
| 5'4" | 161 | 6'4" | 227 |
| 5'5" | 165 | 6'5" | 233 |
| 5'6" | 169 | 6'6" | 240 |
| 5'7" | 174 | 6'7" | 246 |
| 5'8" | 180 | 6'8" | 252 |
| 5'9" | 185 | 6'9" | 259 |
| | | 6'10" | 265 |

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Preferred Plus Nonsmoker

1. No tobacco use for 36 months prior. *The occasional use of cigars or pipes may qualify only when there has been no cigarette smoking the past 5 years, the use is declared on the application and/or exam, the urinalysis is negative for Cotinine, and all other Preferred Plus criteria are met without exception.*
2. Blood pressure no greater than 140/90 for all ages.
3. No associated health history with 20 or more debits, indicating higher mortality.
4. No history of Diabetes, Coronary Artery Disease, or ratable malignancy, even if a standard risk otherwise. Treated hypertension may qualify if well controlled for the past 24 months.
5. No debits on exam, blood profile, or EKG (resting or treadmill).
6. No hazardous non-medical features such as drug/alcohol abuse, etc. No history of DUI/DWI or reckless driving within the last 5 years. No more than 2 moving violations in the last 3 years, and no more than 1 in the last 6 months.
7. Blood chemistry profile values must be within lab normal ranges and the Cholesterol/HDL ratio must be less than or equal to 5.5.
8. No family deaths from Heart Disease, Hypertension, Cancer, or Diabetes under age 50 in parent or siblings; no two deaths under age 60 from same list.
9. Height/weight requirements as follows:

| Height | Weight | Height | Weight |
|--------|--------|--------|--------|
| 4' 10" | 157 | 5' 10" | 210 |
| 4' 11" | 161 | 5' 11" | 216 |
| 5' 0" | 165 | 6' 0" | 222 |
| 5' 1" | 169 | 6' 1" | 228 |
| 5' 2" | 173 | 6' 2" | 235 |
| 5' 3" | 177 | 6' 3" | 241 |
| 5' 4" | 181 | 6' 4" | 247 |
| 5' 5" | 185 | 6' 5" | 253 |
| 5' 6" | 189 | 6' 6" | 260 |
| 5' 7" | 194 | 6' 7" | 266 |
| 5' 8" | 200 | 6' 8" | 272 |
| 5' 9" | 205 | 6' 9" | 279 |
| | | 6' 10" | 285 |

Preferred Nonsmoker

1. No tobacco use for 36 months prior for ages 60 and above. No tobacco use in any form for 24 months for ages through 59. *The occasional use of cigars or pipes may qualify only when there has been no cigarette smoking the past 5 years, the use is declared on the application and /or exam, the urinalysis is negative for Cotinine, and all other Preferred criteria are met without exception.*
2. Blood pressure no greater than 140/90 through age 50. Blood pressure no greater than 160/90 age 51 and above.
3. No associated health history with 20 or more debits, indicating higher mortality.
4. No history of Diabetes, Coronary Artery Disease, or ratable malignancy, even if a standard risk otherwise. Treated hypertension may qualify if well controlled for the past 24 months.
5. No debits on exam, blood profile, or EKG (resting or treadmill).
6. No hazardous non-medical features such as, the drug/alcohol abuse, etc. No history of DUI/DWI or reckless driving within the last 5 years.
7. The Cholesterol/HDL ratio must be less than or equal to 6.0 for age 35 and over; or 5.5 for age 20 through 34.
8. No family deaths from Heart Disease, Hypertension, Cancer, or Diabetes under age 50 in parent or siblings; no two deaths under age 60 from same list.
9. Height/Weight requirements as follows:

| Height | Weight | Height | Weight |
|--------|--------|--------|--------|
| 4' 10" | 160 | 5' 10" | 220 |
| 4' 11" | 164 | 5' 11" | 226 |
| 5' 0" | 170 | 6' 0" | 232 |
| 5' 1" | 179 | 6' 1" | 238 |
| 5' 2" | 183 | 6' 2" | 245 |
| 5' 3" | 187 | 6' 3" | 251 |
| 5' 4" | 191 | 6' 4" | 257 |
| 5' 5" | 195 | 6' 5" | 263 |
| 5' 6" | 199 | 6' 6" | 270 |
| 5' 7" | 204 | 6' 7" | 276 |
| 5' 8" | 210 | 6' 8" | 282 |
| 5' 9" | 215 | 6' 9" | 289 |
| | | 6' 10" | 295 |

Preferred Smoker

1. Blood pressure no greater than 140/90 for all ages.
2. No associated health history with 20 or more debits, indicating higher mortality.
3. No history of Diabetes, Coronary Artery Disease, or ratable malignancy, even if a Standard risk otherwise. Treated hypertension may qualify if well controlled for the past 24 months.
4. No debits on exam, blood profile, or EKG (resting or treadmill).
5. No hazardous non-medical features such as drug/alcohol abuse, etc. No history of DUI/DWI or reckless driving within the last 5 years. No more than 2 moving violations in the last 3 years, and no more than 1 in the last 6 months.
6. Blood chemistry profile values must be within lab normal ranges and the Cholesterol/HDL ratio must be less than or equal to 5.5.
7. No family deaths from Heart Disease, Hypertension, Cancer, or Diabetes under age 50 in parent or siblings; no two deaths under age 60 from same list.
8. Height/Weight requirements as follows:

| Height | Weight | Height | Weight |
|--------|--------|--------|--------|
| 4' 10" | 157 | 5' 10" | 210 |
| 4' 11" | 161 | 5' 11" | 216 |
| 5' 0" | 165 | 6' 0" | 222 |
| 5' 1" | 169 | 6' 1" | 228 |
| 5' 2" | 173 | 6' 2" | 235 |
| 5' 3" | 177 | 6' 3" | 241 |
| 5' 4" | 181 | 6' 4" | 247 |
| 5' 5" | 185 | 6' 5" | 253 |
| 5' 6" | 189 | 6' 6" | 260 |
| 5' 7" | 194 | 6' 7" | 266 |
| 5' 8" | 200 | 6' 8" | 272 |
| 5' 9" | 205 | 6' 9" | 279 |
| | | 6' 10" | 285 |

Juvenile (Issue Ages 0–19)

Policies where the primary insured is under age 20 (Juvenile) will be issued with the Standard Juvenile risk classifications. However, when the insured reaches age 20, he/she may:

- Do nothing and receive Standard Smoker rates for the attained age.
- Submit a statement certifying he/she is not a smoker and receive Standard Nonsmoker rates for the age attained at the time of the change.
- Submit to full underwriting and receive rates for the risk class qualified for at the attained age at the time of the change.

There is a \$100 Administrative Charge (currently waived) for a change to any of the “preferred” risk classes. There is no charge to change a Juvenile to the Standard Nonsmoker or Standard Smoker risk classes.

Substandard Tables and Flat Extras

Table ratings are not available on Super Preferred Nonsmoker, Preferred Plus Nonsmoker, Preferred Nonsmoker, and Preferred Smoker risk classifications. Substandard COI rates for Juveniles, Standard Nonsmokers, and Standard Smokers are based on the corresponding Standard Nonsmoker or Standard Smoker rates. Table ratings expire 20 years after issue of each coverage layer.

Some non-medical flat extras are available on any risk class. A medical related flat extra may only be assigned to a non-Preferred risk class (i.e., Standard Nonsmoker, Standard Smoker, Juvenile, GI and SI). Flat extras expire 20 years after issue (or defined flat extra period if less) of each coverage layer.

Guaranteed Issue and Simplified Issue Underwriting

Not available with this product.

EMPLOYER SPONSORED PLANS/UNISEX

Unisex rates and values will be used for policies sold under all qualified pension plans and certain other employer-sponsored programs. Specifically for split dollar and payroll deduction plans, one Unisex Acceptance/Waiver form signed by an authorized officer of the employer must be submitted for the group before policies can be issued. If the acceptance portion is signed, unisex policies will be issued; if the waiver portion is signed, sex-distinct policies will be issued. Policies owned by qualified plans will automatically be issued using unisex rates. All policies issued for the state of Montana will be issued using unisex rates. Any further reference herein to variations by gender shall not apply to unisex policies.

APPLICATION

Forms may exist in different state-specific versions. For the current state-specific applications and forms, visit Lifeline.Pacificlife.com or call (800) 800-7681 ext 3920.

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PRODUCT INFORMATION

ISSUE RULES AND LIMITS

| | |
|----------------------------|---------------------------------------|
| Issue Ages | 0–90 <i>(varies by risk class)</i> |
| Minimum Face Amount | \$50,000* |

**\$100,000 for Super Preferred Nonsmoker, Preferred Plus Nonsmoker, Preferred Nonsmoker, and Preferred Smoker classes.*

DEATH BENEFIT

Death Benefit proceeds are based on the Death Benefit Option selected, premiums paid, policy Accumulated Value, and any policy distributions taken, so over time the death benefit amount can vary. At policy issue, the policyowner chooses a Death Benefit Qualification Test and Death Benefit Option. The total death benefit includes the Accumulated Value for Death Benefit Option B or premiums less withdrawals and force-outs for Death Benefit Option C and any “corridor” increases.

DEATH BENEFIT QUALIFICATION TESTS

Guideline Premium Test (GPT)

The Internal Revenue Code imposes certain restrictions on flexible premium policies such as Pacific Prime IUL. One restriction deals with the minimum Net Amount at Risk. The minimum Death Benefit is equal to the Accumulated Value as of the date of death times the death benefit percentage (the corridor percentage from Section 7702 of the IRC Code). In addition, if GPT is elected, there is a limit on the total premium amount that may be paid under the policy. The limit depends on the Death Benefit Option, issue age, policy duration, gender, Face Amount, and supplemental riders and benefits included in the policy.

At any time, the total of premiums less withdrawals may not exceed the greater of:

- The Guideline Single Premium; or
- The sum of the Guideline Level Premiums.

The Guideline Premiums are adjusted either upward or downward for any changes in benefits initiated by the policyowner.

Any premium received that violates this provision may be returned to the policyowner. However, the policyowner will be given an opportunity to change the policy (for example, increase the Face Amount) so as to increase the Guideline Premiums and re-qualify the policy without necessarily refunding premiums. Any Guideline Premiums are shown in the policy and will also appear on the Annual Report.

Cash Value Accumulation Test (CVAT):

The Death Benefit is the greater of the Face Amount or the amount required for the policy to qualify as life insurance under the Cash Value Accumulation Test of IRC Section 7702. We contractually reserve the right to amend the policy to comply with any changes in the Code and regulations or rulings regarding the definition of life insurance.

In practice, the “amount required” for purposes of the Code will be determined at the beginning of each month and will equal the projected month-end Accumulated Value (using current interest) divided by the interpolated net single premium at the beginning of the month. Net single premiums are based on guaranteed mortality charges and the guaranteed interest rate.

The corridor imposed CVAT forces a smaller Net Amount at Risk to be kept in the policy than the Guideline Premium Test in the early policy years, but a larger amount in the later policy years. However, there are no premium limitations under CVAT as there are under GPT. Any premium payments that cause an increase in the Net Amount at Risk will be subject to underwriting approval and may require additional evidence of insurability.

SEVEN-PAY TEST & SEVEN-PAY PREMIUMS

Internal Revenue Code Section 7702A describes the Seven-Pay Test (7-Pay Test) that determines whether a life insurance policy will be a Modified Endowment Contract (MEC) for the purposes of determining the taxability of certain policy distributions. Affected distributions include surrenders, withdrawals, policy loans (including loan interest not paid in cash) as well as certain assignments, ownership changes and other transactions. MECs enjoy tax-free⁸ death benefits and, except for the distributions listed above, MECs still enjoy tax-deferred inside build-up of cash value.

When a distribution is subject to the MEC tax treatment, the distributions are first considered a return of taxable gain (up to the amount of gain in the policy) and then a return of non-taxable basis (to the extent that the distribution exceeds the gain of the policy).

The Seven-Pay Premium (7-Pay premium) is the annual increment to the policy’s 7-Pay premium limitation, and the policy’s planned annual premium is usually different, often a lesser amount. A policy’s cumulative gross premiums are tested against the 7-Pay premium limitation each year during the policy’s

⁸ For federal income tax purposes, life insurance death benefits generally pay income tax-free to beneficiaries pursuant to IRC Sec. 101(a)(1). In certain situations, however, life insurance death benefits may be partially or wholly taxable. Situations include, but are not limited to: the transfer of a life insurance policy for valuable consideration unless the transfer qualifies for an exception under IRC Sec. 101(a)(2) (i.e. the transfer-for-value rule); arrangements that lack an insurable interest based on state law; and an employer-owned policy unless the policy qualifies for an exception under IRC Sec. 101(j).

7-Pay test (or 7-Pay test period) and, as long as the cumulative gross premiums do not exceed the 7-Pay premium limitation, the policy will not become a MEC.

It is important to understand that while the policy's 7-Pay test period may end after seven years, it can also start over for a new seven year period each time the policy has certain changes in benefits that constitute a "material change." The policy's 7-Pay premium is recalculated at each "material change" and can also be recalculated upon certain benefit decreases (see the Decreases section under Face Amount Changes).

Since 7-Pay premiums are calculated for each unique combination of benefits, age, gender, and risk class, only Pacific Life's proposal system can precisely calculate the correct 7-Pay premium for a particular policy.

DEATH BENEFIT OPTIONS

Policyowners can choose from three different Death Benefit Options: Option A (level), Option B (increasing) or Option C (return of premium). The death benefit is the greater of the minimum death benefit under GPT or CVAT rules or the following:

Option A: The death benefit equals the Face Amount.

Option B: The death benefit equals the Face Amount plus the Accumulated Value.

Option C: The death benefit equals the Face Amount plus the total premiums paid less withdrawals.

The maximum issue age for Death Benefit Option C is 80. The Option C Death Benefit is limited.

The Option C Death Benefit Limit (OCDBL) is calculated at policy issue and is the lesser of the following:

- 4 times the initial Face Amount
- 120% of the maximum illustrated death benefit. The maximum illustrated death benefit is defined as the Initial Basic Coverage + total planned premiums.

The OCDBL appears in the illustration and policy specification pages. The OCDBL will not change even if the Death Benefit is decreased, increased, or if more premium is paid than what is originally illustrated.

An Option C Death Benefit will never exceed the OCDBL, unless a greater amount is necessary in order to satisfy the IRC Section 7702 Minimum Death Benefit requirements.

DEATH BENEFIT OPTION CHANGES

| Death Benefit Option Change | Underwriting | Frequency | Impact on Face Amount |
|-----------------------------|--|-------------|----------------------------|
| From B to A | Allowed without evidence of insurability | Once a year | Increases |
| From A to B | Allowed without evidence of insurability | Once a year | Decreases |
| From A or B to C | Not allowed | Not allowed | Not allowed |
| From C to B | Allowed without evidence of insurability | Once a year | May increase or decrease* |
| From C to A | Allowed without evidence of insurability | Once a year | May increase or decrease** |

*The Face Amount may increase or decrease when there is an option change from Option C to Option B, depending on the difference between the return of premium benefit and the Accumulated Value at the time of the change.

**The Face Amount may increase or decrease when there is an option change from Option C to Option A. If the return of premium Death Benefit is positive, the Face Amount increases by that amount. If negative, the Face Amount decreases by this amount.

COVERAGE TYPE

Basic Life Coverage provides death benefit coverage on the primary insured. It is not available on any other lives.

| | |
|------------------------------|----------|
| Issue Ages: | 0 to 90 |
| Minimum Basic Life Coverage: | \$50,000 |

Surrender Charge – See the *Surrender Charges* section.

Increases / Decreases – No Increases allowed. See *Face Amount Changes* section for information on Decreases.

Commissions – See *Commissions* section.

FACE AMOUNT CHANGES

Increases – Increases in Face Amount, whether scheduled or unscheduled, are not permitted.

Decreases – Decreases in Face Amount are permitted beginning with the first policy anniversary. Decreases may be done once per policy year and take effect on the next Monthly Payment Date following the date all requirements have been met. Minimum \$1,000 Face Amount must remain.

There is no Administrative Charge in connection with decreases in the Face Amount. The Coverage Charge, Administrative Charge, and Surrender Charges remain constant. If coverage is reduced, these charges remain at their initial levels.

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PREMIUMS

Premiums are flexible and may be paid through age 120. Premiums may be paid at anytime, but the policyowner will provide a Planned Periodic Premium (PPP), and select from the following billing frequencies:

- Annually
- Semi-annually
- Quarterly
- Monthly (Electronic Funds Transfer)

If a policyowner chooses the monthly mode, the premium payments will be deducted automatically from the policyowner's checking account through an Electronic Funds Transfer (EFT). The policyowner will be sent a premium reminder notice for a premium equal to the PPP (except for those on EFT).

The PPP does not decrease when coverage is decreased unless the policyowner requests it. The minimum modal premium (for any premium frequency) accepted by Pacific Life is \$50. Premiums may be paid at any time without evidence of insurability unless:

- The policy has reached its Guideline Premium limitation; or
- The policy is in the corridor, which means the Face Amount is less than the Accumulated Value times the corridor death benefit percentage. See Appendix for table.

Premiums will also be accepted if the policy is in corridor and the policy has not reached its Guideline Premium limitation, as long as satisfactory evidence of insurability is also submitted.

PREMIUM LOAD

A premium load is deducted from each premium payment.

| Policy Type | Current Charge | Guaranteed Maximum Charge |
|--------------------------------|----------------|---------------------------|
| Non-Qualified | 6.60% | 7.60% |
| Qualified | 5.10% | |
| Non-Qualified Internal Roll-In | 4.65% | |
| Qualified Internal Roll-In | 3.15% | |

MONTHLY DEDUCTIONS

On the monthly policy date, a Monthly Deduction is taken from the policy's Accumulated Value. The Monthly Deduction consists of:

- Administrative Charge
- Coverage Charge
- Cost of Insurance Charge
- Rider and Benefit Charges, if any

ADMINISTRATIVE CHARGES

An Administrative Charge is deducted from the Accumulated Value each month to reimburse Pacific Life for expenses associated with administration and maintenance of the policy. The guaranteed Monthly Administrative Charge is \$7.50 and is assessed through age 120.

COVERAGE CHARGE

The Coverage Charge is an amount deducted to compensate Pacific Life for the up-front issue expenses associated with the administration and maintenance of the policy. Rates vary by issue age, gender, risk class, and Death Benefit Option.

Basic Life Coverage — The current charge is level in coverage years 1–10, and zero in years 11+. The guaranteed charge is the same as the current charge in years 1–20, and a different level rate in years 21 through age 120. The charge is deducted monthly.

COST OF INSURANCE (COI) CHARGES

Each month, a Cost of Insurance (COI) charge is deducted from the Accumulated Value. Guaranteed COI rates are the monthly equivalent of 2001 CSO unismoker ultimate mortality rates. The current charge will never be greater than the guaranteed COI rate multiplied by the Net Amount at Risk, which is determined at the beginning of a policy month. COI Charges are applied through age 120.

Banding at \$1 Million Face Amount — The current COI charges are reduced when the death benefit reaches \$1 million. The total death benefit includes the Basic Coverage portion of the policy (including “corridor” increases, Accumulated Value for Death Benefit Option B or premiums for Death Benefit Option C).

SURRENDER CHARGE

A Surrender Charge will be deducted from the Accumulated Value upon surrender of the policy during the first 10 policy years. The charge grades down monthly over the 10-year period. The Surrender Charge is used to help cover underwriting, policy issue, and sales costs. There is no reduction of Surrender Charge if the Basic Coverage is decreased. The charge is not applied to withdrawals.

Pacific Life will provide a current Surrender Charge rate at the end of each policy year.

2% INTEREST GUARANTEE

Pacific Prime IUL guarantees a minimum 2% interest rate on the total policy Accumulated Value (AV) from issue. Two percent interest is credited annually to an Alternate Accumulated Value (AAV). If the AAV is higher than the policy's actual AV at the point where a policy would terminate due to lapse, cash surrender, or death, then the AAV will be used instead.

Surrender Benefit — If either the AAV or the policy's AV are greater than zero upon policy surrender, we will pay out the greater of:

1. Policy's Net Cash Surrender Value
2. AAV reduced by Surrender Charges and Policy Debt

ACCUMULATED VALUE

Within a Pacific Prime IUL policy, there are 3 accounts that can comprise the Accumulated Value — 1 Fixed Account and 2 Indexed Accounts.

Fixed Account — Guarantees a minimum annual crediting rate of 2%, but may credit a current rate that is higher. The current rate at time of policy issue is guaranteed for one policy year. All premiums less a premium load (net premiums) plus loan repayments are automatically allocated to the Fixed Account. The policyowner may also choose to transfer net Accumulated Value to the Indexed Accounts.

Indexed Accounts — Pacific Prime IUL offers two Indexed Accounts:

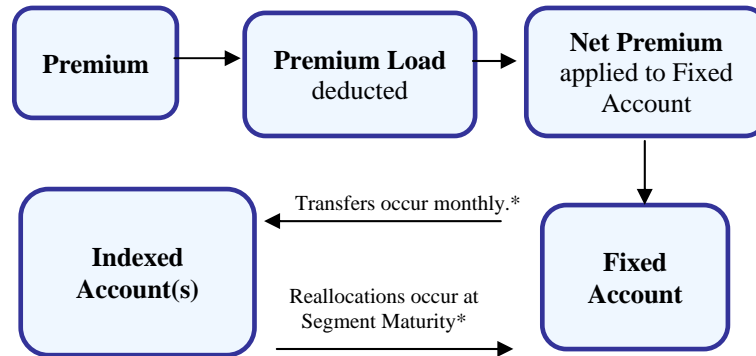
- 1-Year Indexed Account
- 1-Year International Indexed Account

See ***Indexed Interest Crediting Process*** section for details on interest crediting in these accounts.

INDEXED INTEREST CREDITING PROCESS

Allocating for Indexed Growth Potential

Net premium and loan repayments are allocated to the Fixed Account. The policyowner may choose to transfer net Accumulated Value from the Fixed Account to the Indexed Accounts as frequently as on the 15th of each month.*



*Subject to transfer/ reallocation rules (transfers are guaranteed to occur at least once per quarter).

Life Cycle of an Indexed Segment

Each transfer from the Fixed Account to an Indexed Account creates a separate Indexed Segment (Segment). Each Indexed Account is made up of individual Segments. Because Segments may be created as frequently as monthly, there can be up to 12 individual Segments in each of the 1-Year and 1-Year International Indexed Accounts at any time.

- **Segment Date** — Each Segment has its own Segment Date (the date the Segment is created). Segment Term and Segment Maturity are both measured from this date.
- **Segment Maturity** — This is the date on which a Segment Term is completed. It is common for Segment Maturity Dates and Policy Anniversaries to occur on different dates.

Upon Segment Maturity, the Segment will be credited interest and automatically be combined with any new transfers from the Fixed Account to create a new Segment. This new Segment will begin a new cycle in the same Indexed Account – unless the policyowner requests to reallocate it back to the Fixed Account or to another Indexed Account. The policyowner must make this request in writing at least two business days before the Segment Maturity Date. See *Transfers and Reallocations* section for more information.

Transfers and Reallocations

Transfers from the Fixed Account to the Indexed Accounts occur on the Transfer Date:

- Transfers may only occur on the Transfer Date, which is the 15th of each calendar month. Pacific Life reserves the right to change the Transfer Date.
- Policyowners can make transfers as often as monthly on a current basis, but we guarantee a minimum frequency of once every three months.
- Automatic transfers may be established in writing.

Reallocations occur at Segment Maturity:

When a Segment matures, the Segment's Maturity Value is automatically reallocated to the same Indexed Account, unless we are instructed otherwise. The policyowner may choose to reallocate the Segment Maturity Value differently.

Transfers and Reallocations Processing:

To be effective on a given Transfer Date, each of the following must be received at our Administrative Office by 4:00 p.m. Eastern time of the Cut-Off Date, which is two Business Days prior to the Transfer Date:

- Any instructions for Automatic Transfers,
- Any instructions for Transfers by Written Request, and
- Any premium payment or loan repayment intended to result in a transfer to an Indexed Account.

Determining the Indexed Interest Crediting Rate

The following are key components of Pacific Prime IUL's indexed interest crediting process. See below for their definitions and details.

- Index Performance Rate
- Growth Cap
- Guaranteed Minimum Interest Rate
- Indexed Interest Crediting Rate

Index Performance Rate — This rate is the change in the specified Index calculated over the 12-month Segment Term. The 1-Year and 1-Year International Indexed Accounts use a point-to-point measurement method of their underlying index(es). This means that the Index's closing value on the Segment's creation date (point) is compared to the Index's closing value on the day before the Segment's maturity date (point) to produce the Index Performance Rate.

Participation Rate — The percentage of the Index Performance Rate that will be used in the calculation of the Indexed Interest Crediting Rate for each Segment. The Participation Rate is guaranteed to be at least 100% in both Indexed Accounts.

Growth Cap — The Growth Cap is the maximum Indexed Interest Crediting Rate that may be credited to a Segment. The Growth Cap is effective at the beginning of the Segment Term and is guaranteed for the duration of the Segment Term.

| Indexed Account | Current Growth Cap | Guaranteed Minimum Growth Cap |
|----------------------|--------------------|-------------------------------|
| 1-Year | [13%] | 3% |
| 1-Year International | [13%] | 3% |

Guaranteed Minimum Interest Rate — Also referred to as the Guaranteed Floor. This rate is the minimum Indexed Interest Crediting Rate a Segment is guaranteed to earn over its Segment Term.

| Indexed Account | Guaranteed Min. Rate |
|----------------------|----------------------|
| 1-Year | 0% |
| 1-Year International | 0% |

Process Summary

Indexed interest crediting captures indexed gains up to current growth caps but limits indexed losses to guaranteed minimum rates.

1-Year Indexed Account — The S&P 500® (excluding dividends) Index Performance Rate is applied to the current Growth Cap, Guaranteed Participation Rate, and Guaranteed Minimum Interest Rate to produce the final Indexed Interest Crediting Rate.

Hypothetical Example:

- One-year point-to-point change in S&P 500®, excluding dividends = +15%
- $15\% \times 100\%$ Guaranteed Participation Rate = 15%
- 15% applied to Current Growth Cap ([13%]) and Guaranteed Floor (0%)
- [13%] is the final Indexed Interest Crediting Rate

1-Year International Indexed Account — Each international Index's Performance Rate (excluding dividends) is applied to the current Growth Cap, Guaranteed Participation Rate, and Guaranteed Minimum Interest Rate and then the results are averaged to produce the final Indexed Interest Crediting Rate.

Hypothetical Example:

- One-year point-to-point change in
 - Hang Seng Index, excluding dividends = +15%
 - EURO STOXX 50® Index, excluding dividends = +20%
 - MSCI Emerging Markets Index, excluding dividends = -13%
- Index Performance Rates x 100% Guaranteed Participation Rate
- Results applied to current Growth Cap ([13%]) and Guaranteed Floor (0%)
- Results are averaged to produce final Indexed Interest Crediting Rate = [7.66]%

| Index | Performance Rate x Guar. Participation Rate | Applied to Current Growth Cap and Guaranteed Floor | Results are averaged to produce final indexed interest crediting rate | |
|-----------------------|---|--|---|--|
| Hang Seng | 15% | [13%] Current Growth Cap; 0% Guaranteed Floor | [13%] | $[13\%] + [13\%] + 0\% = [23\%]$ $[23\%] \div 3 = [7.66\%]$ |
| EURO STOXX 50 | 20% | | [13%] | |
| MSCI Emerging Markets | -13% | | 0% | |

Deductions, Policy Loans, and Withdrawals from Indexed Accounts

All monthly policy charges, policy loans, and withdrawals will be deducted from the Fixed Account until it is exhausted. If the deduction exceeds the amount available in the Fixed Account, then the balance of the deduction will be taken next from the 1-Year Indexed Account, then the 1-Year International Indexed Account. Within each Index Account, the deduction is made pro rata across all Segments in that account.

Deductions taken from the Indexed Accounts reduce the Segment Monthly Balance to which the Indexed Interest Credit is applied. Effectively, the policyowner will receive a partial indexed credit on the amount of the deduction, based on the amount of time that the money was in the Indexed Account. At the end of the Segment Term, we use the average of all of the end-of-month segment balances (the amount initially transferred, less the deductions that were taken) to determine the Indexed Interest Credit.

If at the end of the Segment Term the Segment Monthly Balance is zero, then the Segment Maturity Value will be transferred to the Fixed Account.

Note: If the policyowner takes a withdrawal or loan that reduces an Indexed Account and is not part of a systematic distribution program (such as the Automated Income Option), a Lockout period will also apply. (See page 3 for details.)

POLICY WITHDRAWALS

After the 1st policy year, a portion of the Cash Surrender Value may be withdrawn. A withdrawal may not be less than \$200 and the remaining Net Cash Surrender Value must be at least \$500. The maximum withdrawal is the Cash Surrender Value, reduced by any outstanding policy debt, further reduced by \$500.

An Administrative Charge of \$25 may be deducted from the Accumulated Value for each withdrawal. This charge is currently waived.

Taking a withdrawal may affect the policy's death benefit depending on the Death Benefit Qualification Test and Death Benefit Option selected. This is because a withdrawal reduces the Accumulated Value and in some cases the death Benefit may depend on the Accumulated Value.

If Death Benefit Option A is in effect, a withdrawal may reduce the Face Amount. However, for the first withdrawal in each of the first 15 policy years, the Face Amount for a Death Benefit Option A policy will be reduced only to the extent that the withdrawal exceeds \$10,000 or 10% of the Net Cash Surrender Value, whichever is less. If there is more than one withdrawal in a policy year, this special rule only applies to the first withdrawal.

After policy year 15, or for any subsequent withdrawal in a policy year, the Face Amount is reduced to the extent the withdrawal exceeds the difference between the death benefit before withdrawal and Face Amount before withdrawal. (The death benefit will always be equal to the Face Amount under Death Benefit Option A unless the policy is in corridor.)

Note that under GPT policies, the Face Amount reduction from the withdrawal may be reduced.

There is no reduction to the Face Amount if Death Benefit Option B or C is in effect at the time of the withdrawal.

If the policyowner takes a withdrawal or loan that reduces an Indexed Account and is not part of a systematic distribution program (such as the Automated Income Option), a Lockout period will apply. (See page 3 for details.) Additionally, withdrawals or loans that exceed the available amount in the Fixed Account may result in partial indexed interest crediting. See ***Indexed Interest Crediting Process*** section for details.

POLICY LOANS

The maximum loan amount available is equal to the Accumulated Value less 3 times the most recent Monthly Deductions, Surrender Charges, and any outstanding Policy Debt. The minimum loan amount is \$200 (in most states).

Any payments received from the policyowner shall be first considered as repayment of any outstanding loan amount and then as premium, unless the policyowner requests such payments are to be considered premium. Policy loan interest not paid when due will be added to the loan balance.

| Policy Year | Annual Loan Interest Charged (simple interest, in arrears) | Annual Interest Credited to Loaned Amount (simple interest) | Annual Net Cost of Loan |
|---------------------------------|--|---|-------------------------|
| All years (guaranteed) | 2.25% | 2.00% | 0.25% |
| Policy year 6+ (non-guaranteed) | 2.25% | 2.25% | 0.00% |

TERMINAL ILLNESS BENEFIT⁹

In California, this benefit is optional and must be elected at application as the Accelerated Living Benefit Rider (Form #R06ALB).¹⁰ For all other states, the Terminal Illness Benefit is a standard feature of the policy.

Allows the policyowner to access a portion of the death benefit after the insured is diagnosed with a terminal illness resulting in a life expectancy of 12 months or less (some states require a period other than 12 months — check for state variations).

Minimum Benefit Amount: \$500

Maximum Benefit Amount: Lesser of \$500,000 or 75% of the death benefit.

There is no charge for this policy feature. However, we reserve the right to deduct an Administrative Charge of \$150 from the accelerated benefit payout amount.

⁹ Benefits are subject to state requirements and may impact Medicaid benefits. Please advise your clients to consult their legal advisors for more information.

¹⁰ Riders will likely incur additional charges and are subject to availability, restrictions, and limitations. Clients should be shown policy illustrations with and without a rider to show the rider's impact on policy values.

OPTIONAL RIDERS

The following describes the riders that are available with Pacific Prime IUL at policy issue and cannot be added thereafter. Riders will likely incur additional charges and are subject to availability, restrictions, and limitations. Clients should be shown policy illustrations with and without riders to help show the rider's impact on the policy's values.

ANNUAL RENEWABLE TERM RIDER—ADDITIONAL INSURED (ARTR-AI) (FORM #R08RTA)

Coverage — May be used to provide level term coverage on any member of the primary insured's immediate family. The term insurance is renewable annually until the person covered reaches age 120 or death of the primary insured, whichever occurs first.

Cost — At the beginning of each month, a COI Charge is deducted from the Accumulated Value. The charge will not be greater than the guaranteed COI rate times the Benefit Amount at the beginning of the month.

Guaranteed COI rates are based on the 2001 CSO mortality rates.

Amount Limits —

- For Super Preferred Nonsmoker, Preferred Plus Nonsmoker, Preferred Nonsmoker, and Preferred Smoker risk classes, the minimum is \$100,000.
- For Standard Nonsmoker and Standard Smoker risk classes, the minimum is \$25,000.
- Maximum Face Amount is equal to the Basic Coverage amount on the primary insured.

Age Limits — 0 to 90.

Risk Classes — The same risk classes available on the base policy are also be available for this rider.

Conversion Privilege — Within 90 days of the death of the primary insured, this rider's coverage may be converted to a new policy on the life on the Additional Insured as long as such person has not yet attained Age 65. Additionally, this rider's coverage may be converted during the first two years, regardless of the Additional Insured's age.

**MEDIUM DURATION NO-LAPSE GUARANTEE II RIDER (MDNLG)
(FORM #R03FNL or ICC11 R03FNL¹¹)**

Coverage — While the rider is in effect, the policy is guaranteed not to lapse or enter the grace period, even if the policy's Net Accumulated Value is zero.

The rider provides a guarantee on the Basic Coverage until the insured attains age 90.¹² This rider does not provide a lifetime no-lapse guarantee. The guarantee under this rider will be effective as long as the no-lapse guarantee value is positive (see definition below).

Availability — At issue only. Optional on all policies that meet the eligibility requirements listed below. The rider may be terminated by the policyowner at any time.

Eligibility Requirements

- Issue Age: 20 to 80.
- Any risk class and substandard rating available (except Guaranteed Issue/Simplified Issue).

Cost — Monthly per \$1 Net Amount at Risk-based charge. The charge applies until insured attains age 90, at which time the rider terminates. The charge is guaranteed at issue and ceases when the rider is terminated.

Determination of No-Lapse Guarantees — The guarantee is active on a policy with the rider in-force when No-Lapse Guarantee Value, less any policy debt, is greater than zero. This calculation is checked on a monthly basis.

No-Lapse Guarantee Value — The no-lapse guarantee value is used only to determine if the no-lapse guarantee is in effect and is calculated in a manner similar to the manner in which the Accumulated Value is calculated, but using different monthly deductions and the policy will accumulate at a different rate than the policy accumulated value. The no-lapse guarantee value does not affect the policy's Cash Surrender Value. There is no annual no-lapse guarantee premium required. However, the No-Lapse Guarantee Value must be greater than zero for the guarantee to be in effect. If the policy is being maintained solely by the no-lapse guarantee benefit, the policyowner will be foregoing the advantage of building Accumulated Value. In such a situation, the Accumulated Value in the policy, net of policy loans, will in fact be zero and, upon reaching

¹¹ Form number based on state in which policy is issued.

¹² The Medium Duration No-Lapse guarantee, depending on how your client structures their policy, has a maximum duration to the insured's age 90. If your client's net no-lapse guarantee value is zero, the no-lapse feature terminates. If the no-lapse feature terminates, additional premiums would be required to resume the no-lapse guarantee. If policy performance is such that your client's policy is being maintained solely by the no-lapse guarantee, your client's policy will not build cash value.

the end of the illustrated no-lapse Guarantee Period, the policy will enter the grace period and, if no further (or insufficient) payments are made, it will lapse. To restore a positive net Accumulated Value and to keep the policy from entering the grace period and eventually lapsing, an additional amount, representing uncollected monthly deductions, must be paid. This additional amount and future premiums will be significantly higher than the premiums required to keep the no-lapse guarantee in force.

What Happens When the Policy Is Continued Under this Rider?

1. Any grace period is suspended. Death benefits are, as specified in the contract, the greater of the scheduled Face Amounts and the minimum Death Benefit under IRC Sec. 7702. An insufficient unloaned Accumulated Value will not cause a lapse or reduction in benefits.
2. Deductions from and credits to the policy Accumulated Value will continue even if the resulting unloaned Accumulated Value may be negative. However, the Accumulated Value will never be less than zero for purposes of calculating the Net Amount at Risk. To achieve a positive unloaned Accumulated Value after the Accumulated Value becomes negative, a policy would have to receive premiums or loan repayments adequate to pay off the accumulated deficiency represented by the negative unloaned Accumulated Value.

Pre-Payment and Catch-Up Features — The catch-up feature is automatically included in the calculation of the No-Lapse Guarantee Value. As long as the No-Lapse Guarantee Value, less any policy debt, is greater than zero, the MDNLG Rider is in-force and the death benefit continues even when the unloaned Accumulated Value is zero. If a loan is outstanding, no repayment of the loan will be required to make the unloaned Accumulated Value positive as long as the No-Lapse Guarantee Value, less any policy debt, is greater than zero.

Grace Period — If the policy is continued under the rider (that is, the policy would lapse in absence of the rider due to insufficient net Accumulated Value), the normal grace processing is suspended until the net NGV becomes negative.

Reinstatements — This rider cannot be reinstated.

OVERLOAN PROTECTION II RIDER (FORM #R08OLP)

Coverage — The Overloan Protection II Rider is designed for policyowners who plan to take maximum distributions from their policy. The rider has no effect on the policy until the policyowner chooses to “exercise” the rider. Once exercised, the rider helps protect the policy from lapse if the policy debt exceeds the Accumulated Value. Since no new premiums, policy loans, withdrawals, or benefit changes are allowed after rider exercise, it may be most effective to exercise the rider at the end of clients’ income-drawing years.

Eligibility — The rider will be automatically attached to all new policies if they meet the eligibility requirements. To be eligible for the rider the following must be true:

- Issue age on policy is 80 or younger.
- Guideline Premium Test (GPT) Death Benefit Qualification Test.
- Minimum 5-year premium requirement met. By the end of the 5th policy year, the sum of the premium paid must be at least equal to a minimum required amount (approximately 350% of the lesser of first-year Guideline Level Premium or Seven Pay Premium).

Cost — There is no charge for this rider unless the policyowner chooses to exercise it. If the rider is exercised, there is a one-time charge equal to 1.1% to 4.5% of the gross Accumulated Value based on the insured’s gender, risk class, and attained age. Please see the rider contract for more detailed information.

Conditions to Exercise Rider — To be eligible to exercise the rider, a policy must meet the following conditions:

- Death Benefit Option is A.
- Insured’s age is at least 75 but not more than 120.
- Policy has been in-force for at least 15 years.
- Policy debt must exceed the current Face Amount but not be greater than 99.9% of the gross Accumulated Value after the rider charge is assessed. (In order for this condition to be met, the policy must be in corridor.)
- Policy must not be a Modified Endowment Contract (MEC).
- There must be no riders attached with scheduled charges after the exercise date.
- There must be sufficient Accumulated Value to cover the rider exercise charge.
- The greater of total premiums less the sum of all non-taxable withdrawals taken and zero must be less than Guideline Premium Limitation.

The potential tax consequences of the Overloan Protection II Rider have not specifically been ruled on by the IRS or the courts. Clients should be urged to consult their tax advisors.

WAIVER OF CHARGES RIDER (Form #R84-WC)

Coverage — This rider waives all policy charges in the event of the total disability of the insured and following a three-month qualifying period. Charges are waived as they fall due during the period when the insured is totally disabled. The disability period must begin before the insured's age 60 and charges due before the insured's age 5 will not be waived.

For the purposes of this rider, a total disability is one that prevents the insured from engaging in any job for three or more consecutive months. During the first three months of disability, no benefits will be paid. During the first 24 months of disability, "job" means the job at the time disability began. After that, it means any job for which the insured is reasonably fitted by education, training, or experience. If the insured is a student when disability begins, "job" means attending school. The total and irrecoverable loss of sight of both eyes or the use of two limbs is also construed as total disability.

No proof of continuing total disability is needed after age 70.

Cost — Annual charges for this rider are assessed until the insured's age 60. The monthly charge will be a percentage (based on the insured's attained age) of the insurance charges provided under the policy. The monthly charge for this rider, on an annualized basis, equals the Target Premium and is shown in the Appendix.

Age/Amount/Other Limits — Issued to insureds aged 0 to 55. For insureds not regularly employed in occupations outside the home, this rider may not be issued on policies with more than \$100,000 of Face Amount. For other insureds, the maximum Face Amount is \$5 Million.

Special Class – Applicants who would be table rated for life insurance are not eligible for this rider. In addition, the Waiver of Charges Rider will not be issued to those who reside or intend to reside outside the U.S. or Canada.

Evidence of Insurability - If regular evidence of insurability for new life insurance is being submitted, no additional evidence for this rider is usually needed. If an increase in Face Amount is being applied for under an insurability option or a conversion option and if a waiver benefit was included in the original coverage, the evidence needed to include the Waiver of Charges Rider on the new insurance is a statement that the insured is not totally disabled. In all other situations, evidence will be required. If this rider is added to an in force policy, a \$50 non-refundable consideration fee must accompany the request.

OPTIONAL BENEFIT

AUTOMATED INCOME OPTION (AIO)

AIO is a systematic distribution program. If the client chooses to use the policy's Accumulated Value to supplement retirement income, he/she can have Pacific Life set up a series of automatic loans and withdrawals. At or near retirement, the policyowner applies for the AIO service and authorizes Pacific Life to deposit planned policy loans and/or withdrawals directly into his/her bank account on a regular basis.

The AIO offers the ease of regular, automated distributions. With AIO, clients may elect to receive planned policy loans and withdrawals as a fixed income amount or as income based on a fixed duration. Income payments may be received either as annual or monthly distributions.

Program Eligibility

- The policy must be at least 7 years old
- To enter the program, the policy must have a minimum net Cash Surrender Value (CSV) of \$50,000
- The policy must not be a MEC
- On an ongoing basis, policies must have illustrated a Net Cash Surrender Value through age the Monthly Deduction End Date (through age 120), sufficient to meet predetermined minimum cash value requirements.

Effect on Death Benefit for Option A Policies: During the first 15 years, the first withdrawal amount up to the lesser of \$10,000 or 10% of the Net Cash Surrender Value will not reduce the policy Face Amount. Any excess will cause a reduction in the policy Face Amount by the amount of the excess. After 15 years, the amounts withdrawn will be treated like withdrawals which may lead to face reduction.

Distribution Amount Limits

The amount of the periodic distribution payment is restricted to the limits below:

Annual Distributions:

- Maximum is 10% of net CSV as of the beginning of the distribution
- Minimum is \$1,000.

Monthly Distributions:

- Maximum is 2% of net CSV as of the beginning of the distribution
- Minimum is \$500.

Clients should be made aware that changes to the amount and timing of distributions under AIO may cause future AIO distributions to be delayed for up to one year.

COMMISSIONS

The commission information should be used as reference only. Refer to your compensation schedule to verify rates and available options for the product and optional riders chosen.

Each premium paid generates the payment of a commission. Commissions are calculated based on the Target Premium for the policy. Target premiums are based on:

- Age
- Gender
- Death Benefit Option:
 - Options A & C have the same targets
 - Option B has separate targets
- Risk Class
- Table rating or standard risk

Your commissions are paid based on the commission option you choose. There are two commission options:

- Option A is the “accelerated” option.
- Option B is the “non-accelerated” option.

Commission Option A and B each have their own schedule of commission rates that apply to multiples of the annual Target Premium, and (at least in the early years of coverage) those rates may differ from target to target.

For example, one rate applies to the first Target Premium; a second rate applies to the second multiple of the Target, a third rate to the third Target, etc. Please refer to the compensation schedule which outlines each of the commission rates (by commission option and by Target) that apply to you.

Calculating Commission

To calculate commissions, premium payments are applied to a series of Target Premium “buckets.”

Basic Coverage Commission

A corresponding commission is paid as premium payments fill each “bucket” regardless of what year the policy is in. Premium payments received up to the first target are paid at the first Basic target rate. Premium payments received in excess of the first target and up to the second target will be paid at the second target rate. Premium payments received in excess of the second target and up to the third target will be paid at the third target rate, etc.

COMMISSIONS CHARGEBACKS

Basic —100% commission chargeback applicable to lapse or surrender in the first month, decreasing by 5% per month to zero at the beginning of the 21st policy month.

There are no trail commissions on this product.

For reference purposes, the tables on the following pages contain the Target Premium factors.

MISCELLANEOUS

POLICY STATEMENTS

A Quarterly and Annual Report is provided to the policyowner which shows the Accumulated Value, Cash Surrender Value, policy loans, and guideline premiums (if applicable). In addition, all activity affecting the Accumulated Value during the reporting period (for example, premiums, charges, interest, index account transfers, and withdrawals) is detailed in these reports.

APPENDIX

Pacific Prime IUL Basic Coverage Commission Targets Death Benefit Options A & C

Here is a Sampling of the Target Premium rates per \$1,000. To see the Target Premium for your particular case, please use the Navigator illustration software.

SUPER PREFERRED NONSMOKER AND PREFERRED PLUS NONSMOKER

| Issue | Per \$1,000 of Face Amount | | |
|-------|----------------------------|--------|--------|
| Age | Male | Female | Unisex |
| 25 | 4.96 | 3.89 | 4.74 |
| 35 | 7.51 | 5.85 | 7.16 |
| 45 | 11.60 | 9.75 | 11.23 |
| 55 | 19.62 | 15.37 | 18.75 |
| 65 | 32.51 | 25.00 | 30.97 |
| 75* | 45.96 | 42.63 | 45.28 |

PREFERRED NONSMOKER, STANDARD NONSMOKER, AND PREFERRED SMOKER*

| Issue | Per \$1,000 of Face Amount | | |
|-------|----------------------------|--------|--------|
| Age | Male | Female | Unisex |
| 25 | 5.24 | 4.35 | 5.06 |
| 35 | 7.94 | 6.55 | 7.65 |
| 45 | 13.75 | 11.27 | 13.25 |
| 55 | 22.24 | 18.20 | 21.43 |
| 65 | 36.85 | 29.61 | 35.41 |
| 75* | 52.08 | 50.48 | 51.76 |
| 85 | 85.41 | 83.21 | 84.96 |

* Issue ages past 75 are not available for Super Preferred Nonsmoker, Preferred Plus Nonsmoker, or Preferred Smoker.

Pacific Prime IUL
Basic Coverage Commission Targets
Death Benefit Options A & C (cont.)

STANDARD SMOKER

| Issue | Per \$1,000 of Face Amount | | |
|-------|----------------------------|--------|--------|
| Age | Male | Female | Unisex |
| 25 | 5.24 | 4.35 | 5.06 |
| 35 | 7.94 | 6.55 | 7.65 |
| 45 | 13.75 | 11.27 | 13.25 |
| 55 | 22.24 | 18.20 | 21.43 |
| 65 | 36.85 | 29.61 | 35.41 |
| 75 | 52.08 | 50.48 | 51.76 |
| 85 | 89.00 | 87.02 | 88.60 |

**Pacific Prime IUL
Basic Coverage Commission Targets
Death Benefit Options B**

SUPER PREFERRED NONSMOKER

| Issue | Per \$1,000 of Face Amount | | |
|-------|----------------------------|--------|--------|
| Age | Male | Female | Unisex |
| 25 | 9.91 | 8.80 | 9.68 |
| 35 | 12.23 | 10.87 | 11.96 |
| 45 | 19.16 | 16.01 | 18.51 |
| 55 | 29.57 | 23.66 | 28.33 |
| 65 | 38.94 | 31.26 | 37.29 |
| 75* | 61.40 | 55.20 | 60.12 |

PREFERRED PLUS NONSMOKER

| Issue | Per \$1,000 of Face Amount | | |
|-------|----------------------------|--------|--------|
| Age | Male | Female | Unisex |
| 25 | 9.94 | 8.80 | 9.70 |
| 35 | 12.26 | 10.87 | 11.98 |
| 45 | 19.58 | 16.13 | 18.86 |
| 55 | 30.52 | 24.11 | 29.17 |
| 65 | 40.19 | 31.86 | 38.39 |
| 75* | 61.40 | 55.20 | 60.12 |

* Issue ages past 75 are not available for Super Preferred Nonsmoker, Preferred Plus Nonsmoker, or Preferred Smoker.

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Pacific Prime IUL
Basic Coverage Commission Targets
Death Benefit Options B (cont.)

PREFERRED NONSMOKER,
STANDARD NONSMOKER,
AND
PREFERRED SMOKER

| Issue | Per \$1,000 of Face Amount | | |
|-------|----------------------------|--------|--------|
| Age | Male | Female | Unisex |
| 25 | 10.18 | 8.99 | 9.93 |
| 35 | 12.56 | 11.10 | 12.27 |
| 45 | 20.28 | 17.21 | 19.64 |
| 55 | 31.66 | 25.18 | 30.30 |
| 65 | 43.20 | 33.27 | 40.57 |
| 75* | 69.58 | 65.37 | 68.72 |
| 85** | 85.41 | 84.27 | 84.96 |

STANDARD SMOKER

| Issue | Per \$1,000 of Face Amount | | |
|-------|----------------------------|--------|--------|
| Age | Male | Female | Unisex |
| 25 | 10.15 | 8.94 | 9.92 |
| 35 | 12.56 | 11.10 | 12.27 |
| 45 | 20.28 | 17.21 | 19.64 |
| 55 | 31.66 | 25.18 | 30.30 |
| 65 | 43.20 | 33.27 | 40.57 |
| 75 | 69.58 | 65.37 | 68.72 |
| 85 | 90.86 | 88.13 | 90.35 |

* Issue ages past 75 are not available for Super Preferred Nonsmoker, Preferred Plus Nonsmoker, or Preferred Smoker.

** Issue ages past 85 are not available for Preferred Nonsmoker.

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RIDER TARGET PREMIUMS

Accidental Death Benefit Rider Annual Target Premiums per \$1,000

| Issue Age | Male | Female | Unisex |
|-----------|--------|--------|--------|
| 5–55 | \$1.20 | \$0.60 | \$1.08 |
| 56–60 | 1.44 | 0.72 | 1.32 |
| 61–65 | 2.16 | 1.08 | 1.92 |

Waiver of Charges Rider Annual Target Premiums as a Percent of Basic Coverage

| Issue Age | Male | Female | Unisex |
|-----------|------|--------|--------|
| 0–20 | 12% | 13% | 12% |
| 21–30 | 12 | 13 | 12 |
| 31–35 | 13 | 16 | 14 |
| 36–40 | 14 | 19 | 15 |
| 41–45 | 15 | 21 | 16 |
| 46–50 | 16 | 25 | 18 |
| 51 | 17 | 26 | 19 |
| 52 | 18 | 26 | 20 |
| 53 | 19 | 26 | 21 |
| 54 | 22 | 27 | 23 |
| 55 | 25 | 29 | 26 |
| 56* | 30 | 33 | 31 |
| 57* | 30 | 33 | 31 |
| 58* | 30 | 33 | 31 |
| 59* | 30 | 33 | 31 |

* Values shown at these ages are for renewal purposes only.

Corridor Percentage (Guideline Premium Test)

From IRS Code Section 7702

| Age | Factor | Age | Factor | Age | Factor | Age | Factor |
|------------|---------------|------------|---------------|------------|---------------|------------|---------------|
| 0–40 | 2.50 | 50 | 1.85 | 60 | 1.30 | 70 | 1.15 |
| 41 | 2.43 | 51 | 1.78 | 61 | 1.28 | 71 | 1.13 |
| 42 | 2.36 | 52 | 1.71 | 62 | 1.26 | 72 | 1.11 |
| 43 | 2.29 | 53 | 1.64 | 63 | 1.24 | 73 | 1.09 |
| 44 | 2.22 | 54 | 1.57 | 64 | 1.22 | 74 | 1.07 |
| 45 | 2.15 | 55 | 1.50 | 65 | 1.20 | 75–90 | 1.05 |
| 46 | 2.09 | 56 | 1.46 | 66 | 1.19 | 91 | 1.04 |
| 47 | 2.03 | 57 | 1.42 | 67 | 1.18 | 92 | 1.03 |
| 48 | 1.97 | 58 | 1.38 | 68 | 1.17 | 93 | 1.02 |
| 49 | 1.91 | 59 | 1.34 | 69 | 1.16 | 94+ | 1.01 |

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Pacific Life Insurance Company
Newport Beach, CA 92660
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Pacific Life Insurance Company's individual life insurance products are marketed exclusively through independent third-party life insurance producers, which may include bank affiliated entities.

Some selling entities, which may include bank affiliated entities, may limit availability of some optional riders based on their client's age and other factors.

Your firm can help you determine which optional riders are available and appropriate for your clients.

Non-guaranteed elements are not guaranteed by definition. As such, Pacific Life Insurance Company reserves the right to change or modify any non-guaranteed element. This right to change non-guaranteed elements is not limited to a specific time or reason.

Investment and Insurance Products:—Not a Deposit — Not FDIC Insured
— Not Insured by any Federal Government Agency — No Bank Guarantee
— May Lose Value

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Policy Form #P11P11 or ICC11 P11P11. Form number based on state in which policy is issued.



Proposed Insured: Leland Stanford
Male, Age 35
Standard Nonsmoker

Death Benefit Option = A - (Level)
Total Face Amount = \$50,000
Premium Frequency = Annual

Life Insurance Producer:
Sample Producer
45 Enterprise
Aliso Viejo, CA 92656

Ledger Illustration Non-Guaranteed Detail

| | | | Non-Guaranteed Values (EOY) @ 5.35% | | |
|--------------|-----|--------------------|-------------------------------------|--------------------------|-------------------|
| Yr | Age | Premium Outlay (1) | Accumulated Value (2) | Cash Surrender Value (3) | Death Benefit (4) |
| 1 | 35 | 500 | 240 | 0 | 50,000 |
| 2 | 36 | 500 | 490 | 250 | 50,000 |
| 3 | 37 | 500 | 747 | 538 | 50,000 |
| 4 | 38 | 500 | 1,015 | 835 | 50,000 |
| 5 | 39 | 500 | 1,293 | 1,143 | 50,000 |
| 6 | 40 | 500 | 1,586 | 1,466 | 50,000 |
| 7 | 41 | 500 | 1,891 | 1,801 | 50,000 |
| 8 | 42 | 500 | 2,208 | 2,148 | 50,000 |
| 9 | 43 | 500 | 2,538 | 2,509 | 50,000 |
| 10 | 44 | 500 | 2,882 | 2,882 | 50,000 |
| Total | | 5,000 | | | |
| 11 | 45 | 500 | 3,344 | 3,344 | 50,000 |
| 12 | 46 | 500 | 3,827 | 3,827 | 50,000 |
| 13 | 47 | 500 | 4,332 | 4,332 | 50,000 |
| 14 | 48 | 500 | 4,856 | 4,856 | 50,000 |
| 15 | 49 | 500 | 5,402 | 5,402 | 50,000 |
| 16 | 50 | 500 | 5,961 | 5,961 | 50,000 |
| 17 | 51 | 500 | 6,542 | 6,542 | 50,000 |
| 18 | 52 | 500 | 7,146 | 7,146 | 50,000 |
| 19 | 53 | 500 | 7,774 | 7,774 | 50,000 |
| 20 | 54 | 500 | 8,426 | 8,426 | 50,000 |
| Total | | 10,000 | | | |
| 21 | 55 | 500 | 9,104 | 9,104 | 50,000 |
| 22 | 56 | 500 | 9,807 | 9,807 | 50,000 |
| 23 | 57 | 500 | 10,537 | 10,537 | 50,000 |
| 24 | 58 | 500 | 11,292 | 11,292 | 50,000 |
| 25 | 59 | 500 | 12,072 | 12,072 | 50,000 |
| 26 | 60 | 500 | 12,880 | 12,880 | 50,000 |
| 27 | 61 | 500 | 13,716 | 13,716 | 50,000 |
| 28 | 62 | 500 | 14,581 | 14,581 | 50,000 |
| 29 | 63 | 500 | 15,477 | 15,477 | 50,000 |
| 30 | 64 | 500 | 16,405 | 16,405 | 50,000 |
| Total | | 15,000 | | | |

The Ledger Illustration is not complete and cannot be presented without the Basic Illustration report. The Basic Illustration report begins with a page entitled Basic Illustration Narrative Summary. Please refer to the Basic Illustration Tabular Detail for guaranteed elements and other important information. Non-Guaranteed elements are not guaranteed.

A zero in the Premium Outlay column does not mean the policy is paid up. Charges will continue to be deducted from the Accumulated Value as long as the policy remains in-force. The actual premium amounts and number of years of premium payments that are needed to maintain the illustrated non-guaranteed policy benefits will depend on the policy's non-guaranteed elements and on your actual use of the policy's options.



Ledger Illustration Non-Guaranteed Detail

| | | | Non-Guaranteed Values (EOY) @ 5.35% | | |
|--------------|-----|--------------------------|-------------------------------------|-----------------------------------|-------------------------|
| Yr | Age | Premium Outlay (1) | Accumulated Value (2) | Cash Surrender Value (3) | Death Benefit (4) |
| 31 | 65 | 500 | 17,362 | 17,362 | 50,000 |
| 32 | 66 | 500 | 18,349 | 18,349 | 50,000 |
| 33 | 67 | 500 | 19,367 | 19,367 | 50,000 |
| 34 | 68 | 500 | 20,417 | 20,417 | 50,000 |
| 35 | 69 | 500 | 21,496 | 21,496 | 50,000 |
| 36 | 70 | 500 | 22,610 | 22,610 | 50,000 |
| 37 | 71 | 500 | 23,763 | 23,763 | 50,000 |
| 38 | 72 | 500 | 24,957 | 24,957 | 50,000 |
| 39 | 73 | 500 | 26,196 | 26,196 | 50,000 |
| 40 | 74 | 500 | 27,487 | 27,487 | 50,000 |
| Total | | 20,000 | | | |
| 41 | 75 | 500 | 28,836 | 28,836 | 50,000 |
| 42 | 76 | 500 | 30,248 | 30,248 | 50,000 |
| 43 | 77 | 500 | 31,729 | 31,729 | 50,000 |
| 44 | 78 | 500 | 33,289 | 33,289 | 50,000 |
| 45 | 79 | 500 | 34,943 | 34,943 | 50,000 |
| 46 | 80 | 500 | 36,696 | 36,696 | 50,000 |
| 47 | 81 | 500 | 38,566 | 38,566 | 50,000 |
| 48 | 82 | 500 | 40,547 | 40,547 | 51,622 |
| 49 | 83 | 500 | 42,601 | 42,601 | 53,409 |
| 50 | 84 | 500 | 44,730 | 44,730 | 55,259 |
| Total | | 25,000 | | | |
| 51 | 85 | 500 | 46,933 | 46,933 | 57,177 |
| 52 | 86 | 500 | 49,215 | 49,215 | 59,170 |
| 53 | 87 | 500 | 51,575 | 51,575 | 61,245 |
| 54 | 88 | 500 | 54,015 | 54,015 | 63,407 |
| 55 | 89 | 500 | 56,536 | 56,536 | 65,658 |
| 56 | 90 | 500 | 59,147 | 59,147 | 68,008 |
| 57 | 91 | 500 | 61,850 | 61,850 | 70,457 |
| 58 | 92 | 500 | 64,708 | 64,708 | 73,049 |
| 59 | 93 | 500 | 67,732 | 67,732 | 75,782 |
| 60 | 94 | 500 | 70,954 | 70,954 | 78,671 |
| Total | | 30,000 | | | |

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A zero in the Premium Outlay column does not mean the policy is paid up. Charges will continue to be deducted from the Accumulated Value as long as the policy remains in-force. The actual premium amounts and number of years of premium payments that are needed to maintain the illustrated non-guaranteed policy benefits will depend on the policy's non-guaranteed elements and on your actual use of the policy's options.



Ledger Illustration Non-Guaranteed Detail

| Non-Guaranteed Values (EOY) @ 5.35% | | | | | |
|-------------------------------------|-----|--------------------------|-----------------------------|-----------------------------------|-------------------------|
| Yr | Age | Premium Outlay (1) | Accumulated Value (2) | Cash Surrender Value (3) | Death Benefit (4) |
| 61 | 95 | 500 | 74,393 | 74,393 | 81,703 |
| 62 | 96 | 500 | 78,073 | 78,073 | 84,852 |
| 63 | 97 | 500 | 82,032 | 82,032 | 88,042 |
| 64 | 98 | 500 | 86,326 | 86,326 | 91,170 |
| 65 | 99 | 500 | 91,045 | 91,045 | 94,048 |
| 66 | 100 | 500 | 96,231 | 96,231 | 97,193 |
| 67 | 101 | 500 | 101,690 | 101,690 | 102,707 |
| 68 | 102 | 500 | 107,435 | 107,435 | 108,510 |
| 69 | 103 | 500 | 113,483 | 113,483 | 114,618 |
| 70 | 104 | 500 | 119,849 | 119,849 | 121,048 |
| Total | | 35,000 | | | |
| 71 | 105 | 500 | 126,550 | 126,550 | 127,816 |
| 72 | 106 | 500 | 133,603 | 133,603 | 134,939 |
| 73 | 107 | 500 | 141,027 | 141,027 | 142,437 |
| 74 | 108 | 500 | 148,841 | 148,841 | 150,330 |
| 75 | 109 | 500 | 157,066 | 157,066 | 158,637 |
| 76 | 110 | 500 | 165,724 | 165,724 | 167,381 |
| 77 | 111 | 500 | 174,837 | 174,837 | 176,585 |
| 78 | 112 | 500 | 184,429 | 184,429 | 186,273 |
| 79 | 113 | 500 | 194,525 | 194,525 | 196,470 |
| 80 | 114 | 500 | 205,152 | 205,152 | 207,203 |
| Total | | 40,000 | | | |
| 81 | 115 | 500 | 216,338 | 216,338 | 218,501 |
| 82 | 116 | 500 | 228,112 | 228,112 | 230,393 |
| 83 | 117 | 500 | 240,505 | 240,505 | 242,910 |
| 84 | 118 | 500 | 253,550 | 253,550 | 256,085 |
| 85 | 119 | 500 | 267,281 | 267,281 | 269,953 |
| 86 | 120 | 500 | 281,733 | 281,733 | 284,551 |
| Total | | 43,000 | | | |

The Allocations and Hypothetical Interest Rates below are for policy year 1. For any illustrated changes to the Allocations and Hypothetical Interest Rates see the Narrative Summary.

| | Allocation | Hypothetical Interest Rate |
|--------------------------------------|------------|-------------------------------|
| Fixed Account | 100.00% | 5.35% |
| 1 Year Indexed Account | 0.00% | N/A |
| 1 Year International Indexed Account | 0.00% | N/A |

The Ledger Illustration is not complete and cannot be presented without the Basic Illustration report. The Basic Illustration report begins with a page entitled Basic Illustration Narrative Summary. Please refer to the Basic Illustration Tabular Detail for guaranteed elements and other important information. Non-Guaranteed elements are not guaranteed.

A zero in the Premium Outlay column does not mean the policy is paid up. Charges will continue to be deducted from the Accumulated Value as long as the policy remains in-force. The actual premium amounts and number of years of premium payments that are needed to maintain the illustrated non-guaranteed policy benefits will depend on the policy's non-guaranteed elements and on your actual use of the policy's options.



Life Insurance Producer:
Sample Producer
45 Enterprise
Aliso Viejo, CA 92656

Basic Illustration Narrative Summary

| | |
|---|---|
| Proposed Insured | <p>Proposed Insured: Leland Stanford Age: 35 Gender: Male Risk Classification: Standard Nonsmoker</p> |
| | <p>The assumed risk classification has a material impact on any illustration. Your actual risk classification will ultimately depend on our evaluation of your insurability and may vary from what is shown on this illustration. If so, you will receive a revised illustration with your life insurance policy.</p> |
| Summary Of Proposed Initial Coverage | <p>Initial Total Face Amount: \$50,000 Death Benefit Option: A - (Level) Premium Frequency: Annual</p> |
| About This Illustration | <p>This is a life insurance illustration and not a contract. This illustration is intended to demonstrate the impact of policy charges and illustrated assumptions on the policy's Accumulated Value and Death Benefit. It is not intended to predict actual performance. Interest rates and values set forth in the illustration are not guaranteed, except for those items clearly labeled as guaranteed.</p> <p>Please review the illustration and its assumptions. You may request illustrations with different assumptions to better understand how the policy charges affect the policy Accumulated Value and Death Benefit. Once the policy is in force, you should consider a periodic review of your coverage with your Life Insurance Producer.</p> <p>Pacific Life Insurance Company is licensed to issue individual life insurance and annuity products in all states except New York. Product availability and features may vary by state.</p> |
| How The Policy Works | <p>Pacific Prime IUL is a life insurance product with an indexed feature. The Death Benefit is paid to the beneficiaries at the insured's death. Additional benefits may be provided through policy riders. The policy has no maturity date. Beginning at Age 121, the monthly administrative costs, cost of insurance and coverage charges are zero.</p> <p>You can chose to allocate both Indexed Accounts and a Fixed Account. If you choose to allocate only to the Fixed Account, your policy will function like a typical universal life insurance policy earning a currently declared rate, guaranteed to be no less than 2% annually. For greater growth potential, the policy allows you to allocate Accumulated Value from the Fixed Account to one or more Indexed Accounts. All Indexed Accounts use the performance of underlying index(es), in part, in the calculation of the indexed interest credits. Additionally, all Indexed Accounts guarantee a minimum annual rate of at least 0%. The Indexed Accounts do not directly participate in any stock or equities markets. See the Indexed Accounts section for more details on the indexed interest crediting process.</p> <p>Your policy's flexible premiums allow you to choose the amount and frequency of your premium payments, within limits. When you pay a premium, we subtract a premium load and then allocate the net premium to the Fixed Account. You have the option to transfer a portion of the Accumulated Value in the Fixed Account to the Indexed Accounts, subject to timing restrictions outlined in the policy contract. Indexed Adjustable Life Insurance generally requires additional premium payments after the initial premium. If either no premiums are paid, or subsequent premiums are insufficient to continue coverage, it is possible that the coverage will lapse.</p> <p>Each month, through the insured's age 121, policy fees and charges are deducted from your policy's Accumulated Value. Thereafter the monthly administrative costs, cost of insurance and coverage charges will drop to zero. For more detailed information request the optional Breakout of Life Insurance Policy Charges page.</p> <p>In the event of surrender, your policy's Accumulated Value may be reduced by a surrender charge. You may take distributions of the Net Cash Surrender Value in the form of Policy Loans or Withdrawals subject to certain limitations defined in the policy.</p> |
| Non-Guaranteed Assumptions | <p>Some policy elements, such as policy charges and interest crediting rate are not guaranteed and may be referred to as "current". These elements may be changed by Pacific Life at any time and for any reason, but cannot be less favorable to you than the policy's guarantees.</p> |



This illustration assumes that currently illustrated non-guaranteed elements will continue as shown for all years illustrated. Values shown in this illustration are based on non-guaranteed policy charges and non-guaranteed crediting rates. Over time, the policy's actual non-guaranteed elements, and perhaps your actual use of the policy's options, are likely to vary from the assumptions used in this illustration. For these reasons, actual policy values will either be more or less favorable than shown in this illustration.

You may also request illustrations with different assumptions to better understand how the policy charges and non-guaranteed elements, like interest crediting rates and/or policy loans and withdrawals, will affect the policy Accumulated Value and Death Benefit.

Death Benefit

The Death Benefit is the amount paid to the policyowner's beneficiaries upon the insured's death. It will be equal to the current Total Face Amount less the balance of any outstanding Policy Loans or Withdrawals. The death benefit option you select will have an impact on the current Total Face Amount. See Death Benefit Options section for details.

Illustrated Coverage The following coverage amounts are illustrated:

| Basic Coverage | Face Amount | Start Year | End Year |
|----------------|-------------|------------|----------|
| | 50,000 | 1 | 86 |

Your Life Insurance Producer can provide you with additional illustrations showing the effects of different proportions of Basic Coverage to help you decide what fits your insurance needs.

Death Benefit Option You may select one of the following death benefit options under your policy:

- **A - (Level)** a benefit equal to the Total Face Amount,
- **B - (Increasing)** a benefit equal to the sum of the Total Face Amount and the Accumulated Value,
- **C - (Return of Premium)** a benefit equal to the sum of the Total Face Amount and the total amount of premiums paid (less any Withdrawals).

The illustration assumes:

| Death Benefit Option | Start Year | End Year |
|----------------------|------------|----------|
| A - (Level) | 1 | 86 |

The Death Benefit column reflects: 1) any future changes described in the previous tables; 2) the death benefit option; and 3) any additional amounts necessary for the illustrated policy to qualify as life insurance under federal income tax laws.

Premium

The illustration assumes premiums paid at the beginning of each premium payment interval in the amounts and frequencies shown below.

| Premium | Frequency | Annualized Premium | Start Year | End Year |
|---------|-----------|--------------------|------------|----------|
| 500.00 | Annual | 500.00 | 1 | 86 |

The actual premium amounts and number of years of premium payments needed to maintain the illustrated policy benefits will depend on the policy's non-guaranteed elements and on your actual use of the policy's options. **As with any other deviations from the assumptions of this illustration, if your actual premium payments occur in different amounts or at different times than illustrated, the illustrated policy values and benefits may not be achieved, which may increase the likelihood the policy may lapse.**

We reserve the right to require evidence of insurability, acceptable to us, for any premium payments that would result in an immediate increase in the Death Benefit that is greater than the increase in Accumulated Value.

A premium of \$1,047.00 paid at the beginning of each policy year until the insured's Age 121 will guarantee the initial Total Face Amount as long as there are no distributions taken or coverage changes made. This premium does not take into account any illustrated lump sum premium payments, such as a 1035 Exchange.

Terminal Illness Benefit

The Terminal Illness Benefit gives you access to a portion of the policy's Death Benefit if the person insured by the policy has been diagnosed with a terminal illness resulting in a life expectancy of 12 months or less. In some states, the rider's benefit will be available even if the insured's life expectancy is longer than 12 months. Benefits are subject to state requirements and may impact Medicaid benefits. You should consult your legal advisor for more information.



Accumulated Value

Accumulated Value is the net premiums (premium minus premium load) less cost of insurance and other charges, accumulated at interest. The Net Accumulated Value is allocated to the Fixed Account and the Indexed Account. The Accumulated Value is subject to several monthly deductions: cost of insurance charges, administrative charges, coverage charges, and deductions for optional insurance benefits, if present.

We may profit from any policy charge, including those listed above, and may use those profits for any lawful purpose, such as the payment of distribution and administrative expenses.

All policy charges, Policy Loans and Withdrawals will be deducted from the Fixed Account. If the Fixed Account is depleted, further deductions will be made from the Indexed Account. If the total Net Accumulated Value is not sufficient to cover the monthly charges, you will need to pay additional premium at that time to keep the policy in force.

Cash Surrender Value

The Cash Surrender Value equals the Accumulated Value less any applicable surrender charge. The surrender charge is determined by the insured's Age and risk classification, the death benefit option, and the initial Basic Coverage amount. The surrender charge reaches zero 120 policy months after the issue date.

The amount the policy owner would receive upon surrender of the policy is the Net Cash Surrender Value which is the Cash Surrender Value less any outstanding policy debt. The Net Cash Surrender Value is also the amount available for Policy Loans and Withdrawals.

Alternate Accumulated Value

Provides an Alternate Accumulated Value that is the sum of premiums paid less all loads, expense charges, Monthly Deductions, and Withdrawals, accumulated at 2% annual interest since the Policy Effective Date. The Alternate Accumulated Value may be used in determining the policy values at lapse, surrender, or death.

Fixed Account Interest Rate

The Fixed Account is part of Pacific Life's general account to which all or a portion of net premiums may be allocated for accumulation at a non-guaranteed interest rate declared by Pacific Life. The current declared Fixed Account interest rate is 5.35%. The declared Fixed Account interest rate in effect when the policy is issued is guaranteed for the first policy year. After the first policy year, non-guaranteed interest credits are based on a declared interest rate. The declared Fixed Account interest rate may change at Pacific Life's discretion, but will never be less than the guaranteed rate of 2.00%. The rate shown below has been illustrated:

| <u>Rate</u> | <u>Start Year</u> | <u>End Year</u> |
|-------------|-------------------|-----------------|
| 5.35% | 1 | 86 |

Transfers to the Indexed Accounts

You may make a transfer from the Fixed Account to the Indexed Accounts on each available Transfer Date, which is currently the 15th of every month. To make a transfer, adequate Accumulated Value must be available in the Fixed Account and transfer instructions must be filed with us no later than two business days prior to the 15th. Transfer Dates are guaranteed to be available no less frequently than quarterly. This illustration assumes transfers occur when premiums are paid.

- Each transfer creates a new Segment in the Indexed Account.
- At a new Segment's creation, the current Growth Cap and Participation Rate are locked-in as a guarantee for that segment's term.
- Once the Segment matures (reaches the end of its Segment Term) it will be credited interest, if applicable.
- It may then be reallocated to the Fixed Account or another Indexed Account. If no transfer instructions are on file with us, it will automatically roll over as a new Segment within the same Indexed Account.
- Transfers may be automatic or by written request.

An Indexed Account earns Indexed Credits based on the percentage change in value of its underlying index, subject to a Segment Guaranteed Interest Rate and a current Growth Cap and Participation Rate (per Segment).



Depending on state approvals, some or all of the following may be available:

| | 1-Year Indexed Account | 1-Year International Indexed Account* |
|---|--|--|
| Segment Term | 12 months | 12 months |
| Underlying Index | S&P 500® (excluding dividends) | A composite blend (1/3 each) of: Hang Seng, EURO STOXX 50®, and MSCI Emerging Markets (excluding dividends) |
| Participation Rate† | 100% Guaranteed | 100% Guaranteed |
| Growth Cap | 13% Current (3% guaranteed minimum) | 13% Current (3% guaranteed minimum) |
| Segment Guaranteed Interest Rate | 0% | 0% |

*Known in the contract as the 1 Year Indexed Account 2. The performance of each Index is applied to the 1-Year International Indexed Account's current Growth Cap, 100% guaranteed Participation Rate, and Guaranteed Minimum Rate, then averaged to result in this account's indexed interest crediting rate.

†The Participation Rate is the percentage of the index's performance rate of the Segment Term that is used in the interest crediting calculation.

Illustrated Indexed Accounts

The amount automatically transferred is the lesser of: 1) your selected transfer percentage multiplied by all premium and loan repayments paid since the last Transfer Date; and 2) the balance of the Fixed Account as of the applicable Transfer Date. The illustrated automatic transfer percentages are:

| <u>Indexed Accounts</u> | <u>Percentage</u> | <u>Start Year</u> | <u>End Year</u> |
|--------------------------------------|-------------------|-------------------|-----------------|
| 1 Year Indexed Account | 0.00% | 1 | 86 |
| 1 Year International Indexed Account | 0.00% | 1 | 86 |

Segment Maturity This illustration reflects the assumption that the Segment Maturity transfer creates a new Segment in the same account.

Lockout Period If a deduction from an Indexed Account occurs as a result of a Policy Loan or Withdrawal that is not part of the Automated Income Option (AIO), then no transfers from the Fixed Account into the Indexed Accounts will be allowed for 12 months following the date of the deduction. This 12 month period is called the lockout period. Based on the assumptions used in this illustration, a lockout has not occurred.

How Indexed Interest Crediting Works

Each of the Indexed Accounts has an underlying Index. The performance of the underlying Index is the starting point for determining the Segment Indexed Interest Credit. The following table shows the underlying Index for each of the Indexed Accounts:

| <u>Indexed Account</u> | <u>Underlying Index (excluding dividends)</u> |
|--------------------------------------|--|
| 1 Year Indexed Account | S&P 500® (excluding dividends) |
| 1 Year International Indexed Account | Hang Seng, EURO STOXX 50®, and MSCI Emerging Markets (excluding dividends) |

S&P 500® Indexed Accounts For segments with an underlying Index of the S&P 500® (excluding dividends), the following table demonstrates how the performance of the Index, along with the current Growth Cap, current Participation Rate and the Segment Guaranteed Interest Rate affect the interest crediting rate for segments invested at the start of policy year one and reallocated at Segment Maturity.



| 1 Year Indexed Account | | |
|---------------------------|---|---|
| | % Change in the S&P 500® index | Corresponding Hypothetical Segment Growth Rate |
| Year 1 | 17.64% | 13.00% |
| Year 2 | 12.58% | 12.58% |
| Year 3 | 6.98% | 6.98% |
| Year 4 | -1.75% | 0.00% |
| Year 5 | 35.60% | 13.00% |

1-Year For each International Indexed Segment, each of the following three indexes - the Hang Seng, EURO STOXX 50®, and International MSCI Emerging Markets Indexes (all excluding dividends)- are measured separately over the Segment Term. The change in Indexed Account each Index is then separately applied to the Segment's current Growth Cap, current Participation Rate and Segment Guaranteed Interest Rate. The resulting Segment's indexed interest crediting rate will be the average of all three indexes' separate growth rates.

| | % Change in the Hang Seng Index | Hang Seng Growth Rate | % Change in the EURO STOXX 50 Index | EURO STOXX 50 Growth Rate | % Change in the MSCI Emerging Markets Index | MSCI Emerging Markets Growth Rate | Hypothetical Indexed Interest Crediting Rate |
|--------|--|--------------------------------|--|------------------------------------|---|---|--|
| Year 1 | 33.46% | 13.00% | 7.54% | 7.54% | 38.96% | 13.00% | 11.18% |
| Year 2 | 26.27% | 13.00% | 0.89% | 0.89% | 14.91% | 13.00% | 8.96% |
| Year 3 | 90.23% | 13.00% | 38.93% | 13.00% | 60.42% | 13.00% | 13.00% |
| Year 4 | -20.19% | 0.00% | -5.22% | 0.00% | 5.05% | 5.05% | 1.68% |
| Year 5 | 23.95% | 13.00% | 15.56% | 13.00% | -13.21% | 0.00% | 8.67% |

Illustrated The illustrated Indexed Account crediting rate includes the Segment Guaranteed Interest Credit and the Segment Indexed Indexed Account Interest Credit.
Crediting Rates

For this illustration, you have selected a hypothetical annual Indexed Account crediting rate of:

| | Rate | Start Year | End Year |
|--------------------------------------|-------|------------|----------|
| 1 Year Indexed Account | 7.75% | 1 | 86 |
| 1 Year International Indexed Account | 7.50% | 1 | 86 |

Each Indexed Account is projected at its own rate and the results are combined with the Fixed Account in this illustration. Actual policy performance will be either more or less favorable than shown. Please consult with your independent advisors to obtain whatever advice you deem necessary and appropriate in selecting hypothetical Indexed Account crediting rates.

Maximum The maximum hypothetical annual Indexed Account crediting rate allowed for this illustration:
Illustratable
Indexed
Crediting Rates

1 Year
Indexed
Account
8.25%

1 Year
International
Account
8.00%

Annual S&P 500® Indexed Accounts

Hypothetical The average annual return of the S&P 500® index, excluding dividends, over the last 20 year historical period was 9.52% .
Historical This value was calculated by averaging the results over 240 twenty-year accumulation periods, one ending each month from
Averages 1/15/1991 through 12/15/2010. Using the historical returns along with the current Growth Cap, Participation Rate and Segment Guaranteed Interest Rate, the corresponding average annual Indexed Account Crediting Rates would be 8.01%.

Hang Seng, EURO STOXX 50®, and MSCI Emerging Markets Indexes

The Hang Seng, EURO STOXX 50®, and MSCI Emerging Markets Indexes' average annual returns over a 23-year historical period are shown in the following table. These values were calculated by separately averaging, for each index, the historic returns over 156 ten-year accumulation periods, one ending each month from 1/15/1998 through 12/15/2010. Using



the historical returns along with the current Growth Cap, Participation Rate and Segment Guaranteed Interest Rate, the corresponding average annual 1 Year International Indexed Account Crediting Rate is also shown.

| <u>Hang Seng Index</u> <u>Annual Return</u> | <u>EURO STOXX 50®</u> <u>Index Annual Return</u> | <u>MSCI Emerging Markets</u> <u>Annual Return</u> | <u>Average Annual</u> <u>Crediting Rate</u> |
|--|---|--|--|
| 7.93% | 7.94% | 5.24% | 7.41% |

A number of different reasonable methods may be used to calculate the underlying Index's historical average, and each such method will result in a different historical average. The historical performance of the underlying Index is not intended as an indication of its future performance and is not guaranteed. Note that Pacific Prime IUL was not available for at least part of the historical period analyzed above. The actual historical Growth Cap, Participation Rate and Segment Guaranteed Interest Rate of an indexed life insurance product existing over the period analyzed might have been higher or lower than assumed, and likely would have fluctuated with market conditions, subject to product guarantees.

Available Riders

The following riders may be available with your policy at an additional cost provided the eligibility criteria are met. Your Life Insurance Producer can provide you with additional illustrations that include one or more of these riders so that you can evaluate the impacts such riders have on policy values. Certain riders may not be available through your Life Insurance Producer and rider features and availability may vary by state.

| <u>Rider Name (Form Series)</u> | |
|---|---------------------------------------|
| Annual Renewable Term Rider - Additional Insured (R08RTA) | Overloan Protection II Rider (R08OLP) |
| Medium Duration No-Lapse Guarantee II (R03FNL) | Waiver of Charges Rider (R84-WC) |

Tax Information

This material is not intended to be used, nor can it be used by any taxpayer, for the purpose of avoiding U.S. federal, state or local tax penalties. This material is written to support the promotion or marketing of the transaction(s) or matter(s) addressed by this material. Pacific Life, its distributors and their respective representatives do not provide tax, accounting or legal advice. Any taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Although the information contained in this illustration is based on our understanding of the Internal Revenue Code (IRC) and on certain tax and legal assumptions, it is not intended to be tax or legal advice. Such advice should be obtained from your own counsel or other tax advisor. Tax laws or interpretations of tax laws can change. This may cause the performance and underlying tax assumptions of this policy, including any riders, to be different than illustrated. For example, tax law changes may result in distributions that are more or less than illustrated. In some cases, these changes could result in a decrease in policy values or lapse. You should request an inforce illustration from your Life Insurance Producer periodically so that you can monitor your policy's performance in light of any tax law changes. Your actual taxes will be different from those illustrated.

Tax Rate The following tax rates you provided have been used to estimate your taxes, if any, due to a distribution:

| <u>Rate</u> | <u>Start Year</u> | <u>End Year</u> |
|-------------|-------------------|-----------------|
| 31.00% | 1 | 86 |

Death Proceeds For federal income tax purposes, life insurance Death Benefits generally pay income tax-free to beneficiaries pursuant to IRC Sec. 101(a)(1). In certain situations, however, life insurance Death Benefits may be partially or wholly taxable. Situations include, but are not limited to: the transfer of a life insurance policy for valuable consideration unless the transfer qualifies for an exception under IRC Sec. 101(a)(2) (i.e. the "transfer-for-value rule"); arrangements that lack an insurable interest based on state law; and an employer-owned policy unless the policy qualifies for an exception under IRC Sec. 101(j).

Cash Value Accumulation Test A life insurance policy will qualify as life insurance under IRC Section 7702 if it meets one of two alternative tests. This illustration uses the Cash Value Accumulation Test which requires that we increase the Death Benefit, if necessary, so that the Accumulated Value of the policy does not at any time exceed the net single premium which would be necessary to fund future benefits under the policy. Failure to qualify as life insurance will result in adverse tax consequences.

Modified Endowment Contract (MEC) As defined in IRC Section 7702A, a life insurance policy becomes a Modified Endowment Contract (MEC) if the cumulative premium payments (less nontaxable Withdrawals) applicable to the Policy's Seven-Pay-Test Period exceed, at any time during that Seven-Pay-Test Period, the cumulative total of the Seven-Pay Premiums in that Period (the 7-pay test).



The Seven-Pay-Test Period starts when a policy is issued and runs for seven years, but it will start over and run for seven more years if there is a Material Change in the terms or benefits of the policy. A Material Change can happen even if the most recent Seven-Pay Test period has ended. Each time a Material Change occurs the policy will start a new Seven-Pay-Test period and a new Seven-Pay Premium limitation will apply during the next seven years. A Material Change will subject a single life policy to retroactive Seven-Pay Reduction Testing if there is a reduction in benefits during the new Seven-Pay-Test period. Such retroactive reduction testing may cause the policy to become a MEC. In addition to a requested reduction in benefits, there could also be a concern if the policy Face Amount is reduced due to a withdrawal. **Prior to any Material Change you should consider whether future reductions or withdrawals may take place during the subsequent 7-year period. If so, you may want to request an in-force illustration and consult your tax advisor.**

For purposes of the Seven-Pay Test rules, a Material Change will generally occur if there is both: 1) an increase in policy benefits; and 2) a premium payment not necessary to fund the policy benefits assumed in the most recent Seven-Pay Premium determination. For purposes of this definition, the increase and the premium payment can occur separately and in either order. A Material Change may also occur as a result of certain other policy changes. IRC 7702A provides that, upon a Material Change, the policy will be subject to a new Seven-Pay Test period, with a new corresponding Seven-Pay Premium.

Generally, once a policy is a MEC, it is always a MEC. However, if premiums in excess of the Seven-Pay Premium limit are paid, the MEC status can be avoided if such premium payments, plus interest (which is taxable), are returned to you within 60 days after the end of the 'measuring year' in which the premium payment was made.

Note that if the benefits of a policy are reduced, the policy may be subject to retroactive "re-testing" with lower Seven-Pay Premium limits based on the reduced benefits. Such "re-testing" of prior premiums can cause a policy to become a MEC. Before you reduce your policy benefits, you should confirm with us whether your policy would become a MEC.

MEC Status Based on our understanding of the Internal Revenue Code a policy issued and maintained consistent with the assumptions in this illustration would not be a MEC at issue or become one thereafter.

Whether and when your policy might actually become a MEC depends on the timing and amounts of premium payments and Withdrawals, the policy's non-guaranteed elements, your actual use of the policy's options, and any policy changes made pursuant to your request. The federal income tax consequences of a MEC can be significant. Consult your tax advisor for further details.

Taxable Income Lapses or Surrenders With an Outstanding Policy Loan:

If a life insurance Policy Loan is still outstanding when a policy is surrendered or lapses, the Policy Loan is automatically repaid from policy values. This will result in taxable income to the extent the Net Cash Surrender Value plus the amount of the repaid loan exceeds the cost basis of the policy. This potential tax is not reflected in any tax calculation(s) included in this illustration.

Assuming the life insurance policy is not a MEC:

1. Withdrawals (and other distributions) are taxed under the "cost recovery rule" and are generally taxable only to the extent the Withdrawal exceeds the cost basis of the policy. Policy cost basis generally equals the gross premiums paid less prior untaxed Withdrawals.
2. However, Withdrawals in the first 15 policy years may be taxable in part or in full under IRC 7702(f)(7)(B) if they occur in connection with a reduction in benefits.
3. Further, when such a reduction in benefits has occurred during the first 15 policy years, it is possible that earlier Withdrawals (within the two years prior to the reduction in benefits) may be similarly taxable. This illustration does not reflect this "two years prior" taxation.
4. After 15 policy years, Withdrawals up to policy cost basis are not taxable.

If the life insurance policy is a MEC:

1. Distributions from a MEC, including Withdrawals, Policy Loans, and certain assignments, are taxed to the extent of gain in the policy and may be subject to additional penalties. Generally, gain in the policy is the excess, if any, of the Accumulated Value, not reduced by Policy Debt over the policy cost basis.
2. Further, distributions taken from a policy during the two years prior to the policy becoming a MEC will be subject to MEC rules in the year the policy became a MEC and may become taxable at that time. This illustration does not reflect this "two years prior" taxation.

Initial Premium
Limits Summary

Seven-Pay Premium
\$1,678.13



When the Death Benefit is greater than the Face Amount due to Accumulated Value growth, payment of additional premium will be subject to approval. In this illustration, the first year in which this occurs is year 48.

Future Action Required

This illustration does not reflect any future changes that require a written request. However, if you want to make changes to your policy, you must request the change in writing.

Other Information

The sale or liquidation of any stock, bond, individual retirement account (IRA), certificate of deposit (CD), mutual fund, annuity, or other asset to fund the purchase of this product may have tax consequences, early Withdrawal penalties, or other costs or penalties as a result of the sale or liquidation. You may wish to consult independent legal or financial advice before selling or liquidating any assets, prior to the purchase of the life insurance product being solicited.

Pacific Life does not provide qualified plan administrative services or impartial investment advice, and does not act in a fiduciary capacity for any plan.

Not a deposit

Not FDIC insured

Not insured by any government agency

Not bank guaranteed

May lose value



Basic Illustration Numeric Summary

| Yr | Age | Cumulative Premium Outlay | Guaranteed (EOY) 2.00% | | Non-Guaranteed (EOY) | | | |
|----|-----|---------------------------------|----------------------------|------------------|----------------------------|------------------|----------------------------|------------------|
| | | | Cash Surrender Value | Death Benefit | Intermediate | | Illustrated 5.35% | |
| | | | | | Cash Surrender Value | Death Benefit | Cash Surrender Value | Death Benefit |
| 5 | 39 | 2,500 | 945 | 50,000 | 1,041 | 50,000 | 1,143 | 50,000 |
| 10 | 44 | 5,000 | 2,153 | 50,000 | 2,497 | 50,000 | 2,882 | 50,000 |
| 20 | 54 | 10,000 | 3,713 | 50,000 | 5,821 | 50,000 | 8,426 | 50,000 |
| 30 | 64 | 15,000 | 2,416 | 50,000 | 8,290 | 50,000 | 16,405 | 50,000 |
| 36 | 70 | 18,000 | ## | ## | 7,881 | 50,000 | 22,610 | 50,000 |

The Allocations and Hypothetical Interest Rates below are for policy year 1. For any illustrated changes to the Allocations and Hypothetical Interest Rates see the Narrative Summary.

| | Guaranteed | | Non-Guaranteed | |
|--------------------------------------|-------------------|---|--|--|
| | <u>Allocation</u> | <u>Initial Guaranteed Interest Rate</u> | <u>Intermediate Hypothetical Interest Rate</u> | <u>Non-Guaranteed Hypothetical Interest Rate</u> |
| Fixed Account | 100.00% | 5.35% | 5.35% | 5.35% |
| 1 Year Indexed Account | 0.00% | N/A | N/A | N/A |
| 1 Year International Indexed Account | 0.00% | N/A | N/A | N/A |

Insurance coverage will cease in year 34 based on guaranteed assumptions. Insurance coverage will cease in year 45 based on intermediate assumptions. Insurance coverage would remain in force at least through year 86 (Age 120) based on illustrated assumptions.

I have received and read a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be higher or lower. The Life Insurance Producer has told me that they are not guaranteed. I understand this is an illustration and not a contract. For full policy details, I will refer to the contract.

Historical performance of the underlying Index should not be considered a representation of past or future performance of the Indexed Accounts under this life insurance policy. Actual will vary from year to year depending on the underlying Index, Growth Cap and Participation Rate.

APPLICANT'S SIGNATURE*

DATE

*If a Corporation, the signature and title of an authorized officer is required, and the full name of the Corporation must be shown. If a Trust all required Trustees must sign according to the trust agreement.

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements are subject to change. I have made no statements that are inconsistent with this illustration nor have I made any promises about the expected future Index Credits of this contract.

LIFE INSURANCE PRODUCER'S SIGNATURE

DATE

PL LIFE INSURANCE PRODUCER# 123454



Proposed Insured: Leland Stanford
Male, Age 35
Standard Nonsmoker

Death Benefit Option = A - (Level)
Total Face Amount = \$50,000
Premium Frequency = Annual

Life Insurance Producer:
Sample Producer
45 Enterprise
Aliso Viejo, CA 92656

Basic Illustration Tabular Detail and Statement of Policy Cost and Benefit Information

| | | | Guaranteed Values (EOY) @ 2.00% | | | Non-Guaranteed Values (EOY) @ 5.35% | | |
|--------------|-----|--------------------|---------------------------------|--------------------------|-------------------|-------------------------------------|--------------------------|-------------------|
| Yr | Age | Premium Outlay (1) | Accumulated Value (2) | Cash Surrender Value (3) | Death Benefit (4) | Accumulated Value (5) | Cash Surrender Value (6) | Death Benefit (7) |
| 1 | 35 | 500 | 217 | 0 | 50,000 | 240 | 0 | 50,000 |
| 2 | 36 | 500 | 435 | 196 | 50,000 | 490 | 250 | 50,000 |
| 3 | 37 | 500 | 655 | 446 | 50,000 | 747 | 538 | 50,000 |
| 4 | 38 | 500 | 875 | 695 | 50,000 | 1,015 | 835 | 50,000 |
| 5 | 39 | 500 | 1,094 | 945 | 50,000 | 1,293 | 1,143 | 50,000 |
| 6 | 40 | 500 | 1,313 | 1,193 | 50,000 | 1,586 | 1,466 | 50,000 |
| 7 | 41 | 500 | 1,530 | 1,440 | 50,000 | 1,891 | 1,801 | 50,000 |
| 8 | 42 | 500 | 1,743 | 1,683 | 50,000 | 2,208 | 2,148 | 50,000 |
| 9 | 43 | 500 | 1,951 | 1,922 | 50,000 | 2,538 | 2,509 | 50,000 |
| 10 | 44 | 500 | 2,153 | 2,153 | 50,000 | 2,882 | 2,882 | 50,000 |
| Total | | 5,000 | | | | | | |
| 11 | 45 | 500 | 2,347 | 2,347 | 50,000 | 3,344 | 3,344 | 50,000 |
| 12 | 46 | 500 | 2,533 | 2,533 | 50,000 | 3,827 | 3,827 | 50,000 |
| 13 | 47 | 500 | 2,710 | 2,710 | 50,000 | 4,332 | 4,332 | 50,000 |
| 14 | 48 | 500 | 2,884 | 2,884 | 50,000 | 4,856 | 4,856 | 50,000 |
| 15 | 49 | 500 | 3,053 | 3,053 | 50,000 | 5,402 | 5,402 | 50,000 |
| 16 | 50 | 500 | 3,215 | 3,215 | 50,000 | 5,961 | 5,961 | 50,000 |
| 17 | 51 | 500 | 3,366 | 3,366 | 50,000 | 6,542 | 6,542 | 50,000 |
| 18 | 52 | 500 | 3,502 | 3,502 | 50,000 | 7,146 | 7,146 | 50,000 |
| 19 | 53 | 500 | 3,619 | 3,619 | 50,000 | 7,774 | 7,774 | 50,000 |
| 20 | 54 | 500 | 3,713 | 3,713 | 50,000 | 8,426 | 8,426 | 50,000 |
| Total | | 10,000 | | | | | | |
| 21 | 55 | 500 | 3,770 | 3,770 | 50,000 | 9,104 | 9,104 | 50,000 |
| 22 | 56 | 500 | 3,795 | 3,795 | 50,000 | 9,807 | 9,807 | 50,000 |
| 23 | 57 | 500 | 3,785 | 3,785 | 50,000 | 10,537 | 10,537 | 50,000 |
| 24 | 58 | 500 | 3,745 | 3,745 | 50,000 | 11,292 | 11,292 | 50,000 |
| 25 | 59 | 500 | 3,670 | 3,670 | 50,000 | 12,072 | 12,072 | 50,000 |
| 26 | 60 | 500 | 3,552 | 3,552 | 50,000 | 12,880 | 12,880 | 50,000 |
| 27 | 61 | 500 | 3,379 | 3,379 | 50,000 | 13,716 | 13,716 | 50,000 |
| 28 | 62 | 500 | 3,139 | 3,139 | 50,000 | 14,581 | 14,581 | 50,000 |
| 29 | 63 | 500 | 2,820 | 2,820 | 50,000 | 15,477 | 15,477 | 50,000 |
| 30 | 64 | 500 | 2,416 | 2,416 | 50,000 | 16,405 | 16,405 | 50,000 |
| Total | | 15,000 | | | | | | |

A zero in the Premium Outlay column does not mean the policy is paid up. Charges will continue to be deducted from the Accumulated Value as long as the policy remains in-force. The actual premium amounts and number of years of premium payments that are needed to maintain the illustrated non-guaranteed policy benefits will depend on the policy's non-guaranteed elements and on your actual use of the policy's options.



Basic Illustration Tabular Detail and Statement of Policy Cost and Benefit Information

| | | | Guaranteed Values (EOY) @ 2.00% | | | Non-Guaranteed Values (EOY) @ 5.35% | | |
|--------------|-----|--------------------|---------------------------------|--------------------------|-------------------|-------------------------------------|--------------------------|-------------------|
| Yr | Age | Premium Outlay (1) | Accumulated Value (2) | Cash Surrender Value (3) | Death Benefit (4) | Accumulated Value (5) | Cash Surrender Value (6) | Death Benefit (7) |
| 31 | 65 | 500 | 1,919 | 1,919 | 50,000 | 17,362 | 17,362 | 50,000 |
| 32 | 66 | 500 | 1,323 | 1,323 | 50,000 | 18,349 | 18,349 | 50,000 |
| 33 | 67 | 500 | 622 | 622 | 50,000 | 19,367 | 19,367 | 50,000 |
| 34 | 68 | 500 | 0 | 0 | 0 | 20,417 | 20,417 | 50,000 |
| 35 | 69 | 500 | 0 | 0 | 0 | 21,496 | 21,496 | 50,000 |
| 36 | 70 | 500 | 0 | 0 | 0 | 22,610 | 22,610 | 50,000 |
| 37 | 71 | 500 | 0 | 0 | 0 | 23,763 | 23,763 | 50,000 |
| 38 | 72 | 500 | 0 | 0 | 0 | 24,957 | 24,957 | 50,000 |
| 39 | 73 | 500 | 0 | 0 | 0 | 26,196 | 26,196 | 50,000 |
| 40 | 74 | 500 | 0 | 0 | 0 | 27,487 | 27,487 | 50,000 |
| Total | | 20,000 | | | | | | |
| 41 | 75 | 500 | 0 | 0 | 0 | 28,836 | 28,836 | 50,000 |
| 42 | 76 | 500 | 0 | 0 | 0 | 30,248 | 30,248 | 50,000 |
| 43 | 77 | 500 | 0 | 0 | 0 | 31,729 | 31,729 | 50,000 |
| 44 | 78 | 500 | 0 | 0 | 0 | 33,289 | 33,289 | 50,000 |
| 45 | 79 | 500 | 0 | 0 | 0 | 34,943 | 34,943 | 50,000 |
| 46 | 80 | 500 | 0 | 0 | 0 | 36,696 | 36,696 | 50,000 |
| 47 | 81 | 500 | 0 | 0 | 0 | 38,566 | 38,566 | 50,000 |
| 48 | 82 | 500 | 0 | 0 | 0 | 40,547 | 40,547 | 51,622 |
| 49 | 83 | 500 | 0 | 0 | 0 | 42,601 | 42,601 | 53,409 |
| 50 | 84 | 500 | 0 | 0 | 0 | 44,730 | 44,730 | 55,259 |
| Total | | 25,000 | | | | | | |
| 51 | 85 | 500 | 0 | 0 | 0 | 46,933 | 46,933 | 57,177 |
| 52 | 86 | 500 | 0 | 0 | 0 | 49,215 | 49,215 | 59,170 |
| 53 | 87 | 500 | 0 | 0 | 0 | 51,575 | 51,575 | 61,245 |
| 54 | 88 | 500 | 0 | 0 | 0 | 54,015 | 54,015 | 63,407 |
| 55 | 89 | 500 | 0 | 0 | 0 | 56,536 | 56,536 | 65,658 |
| 56 | 90 | 500 | 0 | 0 | 0 | 59,147 | 59,147 | 68,008 |
| 57 | 91 | 500 | 0 | 0 | 0 | 61,850 | 61,850 | 70,457 |
| 58 | 92 | 500 | 0 | 0 | 0 | 64,708 | 64,708 | 73,049 |
| 59 | 93 | 500 | 0 | 0 | 0 | 67,732 | 67,732 | 75,782 |
| 60 | 94 | 500 | 0 | 0 | 0 | 70,954 | 70,954 | 78,671 |
| Total | | 30,000 | | | | | | |
| 61 | 95 | 500 | 0 | 0 | 0 | 74,393 | 74,393 | 81,703 |
| 62 | 96 | 500 | 0 | 0 | 0 | 78,073 | 78,073 | 84,852 |
| 63 | 97 | 500 | 0 | 0 | 0 | 82,032 | 82,032 | 88,042 |
| 64 | 98 | 500 | 0 | 0 | 0 | 86,326 | 86,326 | 91,170 |
| 65 | 99 | 500 | 0 | 0 | 0 | 91,045 | 91,045 | 94,048 |
| 66 | 100 | 500 | 0 | 0 | 0 | 96,231 | 96,231 | 97,193 |
| 67 | 101 | 500 | 0 | 0 | 0 | 101,690 | 101,690 | 102,707 |
| 68 | 102 | 500 | 0 | 0 | 0 | 107,435 | 107,435 | 108,510 |
| 69 | 103 | 500 | 0 | 0 | 0 | 113,483 | 113,483 | 114,618 |
| 70 | 104 | 500 | 0 | 0 | 0 | 119,849 | 119,849 | 121,048 |
| Total | | 35,000 | | | | | | |

A zero in the Premium Outlay column does not mean the policy is paid up. Charges will continue to be deducted from the Accumulated Value as long as the policy remains in-force. The actual premium amounts and number of years of premium payments that are needed to maintain the illustrated non-guaranteed policy benefits will depend on the policy's non-guaranteed elements and on your actual use of the policy's options.



Basic Illustration Tabular Detail and Statement of Policy Cost and Benefit Information

| | | | Guaranteed Values (EOY) @ 2.00% | | | Non-Guaranteed Values (EOY) @ 5.35% | | |
|--------------|-----|--------------------|---------------------------------|--------------------------|-------------------|-------------------------------------|--------------------------|-------------------|
| Yr | Age | Premium Outlay (1) | Accumulated Value (2) | Cash Surrender Value (3) | Death Benefit (4) | Accumulated Value (5) | Cash Surrender Value (6) | Death Benefit (7) |
| 71 | 105 | 500 | 0 | 0 | 0 | 126,550 | 126,550 | 127,816 |
| 72 | 106 | 500 | 0 | 0 | 0 | 133,603 | 133,603 | 134,939 |
| 73 | 107 | 500 | 0 | 0 | 0 | 141,027 | 141,027 | 142,437 |
| 74 | 108 | 500 | 0 | 0 | 0 | 148,841 | 148,841 | 150,330 |
| 75 | 109 | 500 | 0 | 0 | 0 | 157,066 | 157,066 | 158,637 |
| 76 | 110 | 500 | 0 | 0 | 0 | 165,724 | 165,724 | 167,381 |
| 77 | 111 | 500 | 0 | 0 | 0 | 174,837 | 174,837 | 176,585 |
| 78 | 112 | 500 | 0 | 0 | 0 | 184,429 | 184,429 | 186,273 |
| 79 | 113 | 500 | 0 | 0 | 0 | 194,525 | 194,525 | 196,470 |
| 80 | 114 | 500 | 0 | 0 | 0 | 205,152 | 205,152 | 207,203 |
| Total | | 40,000 | | | | | | |
| 81 | 115 | 500 | 0 | 0 | 0 | 216,338 | 216,338 | 218,501 |
| 82 | 116 | 500 | 0 | 0 | 0 | 228,112 | 228,112 | 230,393 |
| 83 | 117 | 500 | 0 | 0 | 0 | 240,505 | 240,505 | 242,910 |
| 84 | 118 | 500 | 0 | 0 | 0 | 253,550 | 253,550 | 256,085 |
| 85 | 119 | 500 | 0 | 0 | 0 | 267,281 | 267,281 | 269,953 |
| 86 | 120 | 500 | 0 | 0 | 0 | 281,733 | 281,733 | 284,551 |
| Total | | 43,000 | | | | | | |

The Allocations and Hypothetical Interest Rates below are for policy year 1. For any illustrated changes to the Allocations and Hypothetical Interest Rates see the Narrative Summary.

| | <u>Allocation</u> | <u>Initial Guaranteed Interest Rate</u> | <u>Non-Guaranteed Hypothetical Interest Rate</u> |
|--------------------------------------|-------------------|---|--|
| Fixed Account | 100.00% | 5.35% | 5.35% |
| 1 Year Indexed Account | 0.00% | N/A | N/A |
| 1 Year International Indexed Account | 0.00% | N/A | N/A |

Insurance coverage will cease in year 34 based on guaranteed assumptions. Insurance coverage would remain in force at least through year 86 (Age 120) based on illustrated assumptions.

A zero in the Premium Outlay column does not mean the policy is paid up. Charges will continue to be deducted from the Accumulated Value as long as the policy remains in-force. The actual premium amounts and number of years of premium payments that are needed to maintain the illustrated non-guaranteed policy benefits will depend on the policy's non-guaranteed elements and on your actual use of the policy's options.



Column Definitions

| Column Name | Description |
|------------------------|---|
| Accumulated Value | The sum of premiums paid less all loads and expense charges, Monthly Deductions, and Withdrawals plus credited or accrued interest since the Policy Effective Date. If the Alternate Accumulated Value is higher than the Accumulated Value when a loan requested, or at lapse, or at death the Alternate Accumulated Value will be used. |
| Age | The insured's age on the birthday nearest the beginning of the policy year shown. |
| BOY | Beginning of the illustrated policy year. |
| Cash Surrender Value | At surrender, the Accumulated Value minus any applicable surrender charge, or if greater, the Alternate Accumulated Value minus any applicable surrender charge. |
| Death Benefit | The amount payable upon your death. The Death Benefit is always reduced by any Policy Debt and increased by any applicable rider benefits. |
| EOY | End of the illustrated policy year. |
| "Guaranteed" Columns | Reflect maximum policy charges and guaranteed interest. |
| "Intermediate" Columns | Reflect non-guaranteed elements, including charges and credits at rates that are halfway between the rates used in the "guaranteed" and "illustrated" columns. |
| "Illustrated" Columns | Reflect the assumptions about non-guaranteed elements which are described throughout the illustration. |
| Premium Outlay | The sum of the premium payments you plan to make each year. |
| Year | The number of years from when the policy was issued. |



Underlying Index Disclosure

| | |
|------------------------------------|---|
| Overview | Neither the policy nor the Indexed Account actually participates in the stock market or the S&P 500®, Hang Seng, EURO STOXX 50®, MSCI Emerging Markets Index. Historical performances of any Index should not be considered a representation of past or future performance. Future performance of the Indexed Account under this life insurance policy may be greater or less than the earnings shown for the Index. The descriptions below are in the format required by the index providers. |
| S&P 500® index | <p>The Standard & Poor's 500® index is composed of 500 common stocks representing major U.S. industry sectors. Segment Indexed Interest Credits are added to each Segment at the Segment Maturity using a calculation that is based, in part, on the performance of the S&P 500® index, excluding dividends.</p> <p>"S&P 500®", "Standard & Poor's 500™" and "S&P®" is a trademark of Standard & Poor's Financial Services LLC and have been licensed for use by Pacific Life Insurance Company. The life insurance product is not sponsored, endorsed, sold or promoted by Standard & Poor's, and Standard & Poor's makes no representation regarding the advisability of purchasing a life insurance product.</p> <p>The 500 reference should read 500® index or Standard & Poor's 500™ index not Standard & Poor® Composite Stock Price Index.</p> |
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Statement of Policy Cost and Benefit Information Summary of Coverage

Life Insurance Cost Information

| | Guaranteed | | Current | |
|------------------|------------|---------|---------|---------|
| Cost Index | 10 Year | 20 Year | 10 Year | 20 Year |
| Surrender @ 5% | 6.74 | 7.86 | 5.64 | 5.15 |
| Net Payment @ 5% | 10.00 | 10.00 | 10.00 | 10.00 |

These indices are illustrated uniformly across life insurance company illustrations and are intended to help provide you a uniform means of comparing products across insurance carriers. A more detailed explanation of the intended use of these indices is provided in the life insurance buyer's guide.

Important Notice

Actual results will differ from the projections shown on the previous page if there is a change in the interest rates, cost of insurance rates or the timing and amount of your premium payments. The non-guaranteed amounts shown on the previous page are based on our current unloaned interest rate of 5.35%. We may change the current interest rate at any time but may not credit less than the guaranteed annual rate of 2.00%. We may change the current cost of insurance rates at any time but may not charge more than the guaranteed cost of insurance rates.

The non-guaranteed amounts shown on the previous page are based on the following crediting rates:

| Fixed Account | | | 1 Year Indexed Account | | | 1 Year International Indexed Account | | |
|---------------|------------|----------|------------------------|------------|----------|--------------------------------------|------------|----------|
| Annual Rate | Start Year | End Year | Annual Rate | Start Year | End Year | Annual Rate | Start Year | End Year |
| 5.35% | 1 | 86 | 7.75% | 1 | 86 | 7.50% | 1 | 86 |

The tax status of this contract should be reviewed each year. For further information, contact the insurance company or your Life Insurance Producer shown at the top of page one.

The projected values in this Statement of Policy Cost and Benefit Information include the costs and benefits of the basic coverage and any additional riders or benefits. In addition, all values are based on the plan of insurance as illustrated, including any face amount changes, option changes, withdrawals and policy loans. A Statement of Policy Cost and Benefit Information based on the policy as issued, without any policy changes, is available on request.

Type of Coverage

Basic Coverage:

Benefit Amount

Indexed Adjustable Life Insurance

\$50,000.00



PACIFIC LIFE

PACIFIC LIFE INSURANCE COMPANY

Actuarial Certification of Compliance Regarding
Life Insurance Illustrations for

POLICY FORM P11P1I

I, Michael L. Beeson, am a member in good standing of the American Academy of Actuaries. I am an employee of Pacific Life Insurance Company ("Pacific Life") and have been appointed by the Board of Directors of Pacific Life to perform the duties of Illustration Actuary for Pacific Life for plans of insurance subject to applicable Life Insurance Illustration regulations or laws ("the Regulation"). A copy of the Board resolution documenting my appointment, along with the Corporate Secretary's certification of such resolution, effective June 19, 2007, is attached. I meet the requirements of the American Academy of Actuaries and of the regulation for making this certification. I am familiar with the Regulation and with the applicable Actuarial Standard of Practice (ASOP #24) promulgated by the Actuarial Standards Board. Defined terms used herein have the same meanings as in the Regulation.

This certification covers the life insurance policy form referenced above ("plan"), which will be marketed with illustrations. In the course of carrying out my duties I have received and reviewed information from responsible Pacific Life employees regarding the company's recent historical experience and other developments. I have applied presently accepted standards of actuarial practice, including ASOP #24, to such information in order to develop experience assumptions appropriate for the purpose of forming an opinion regarding the compliance of illustrated scales of nonguaranteed elements with the Regulation. Using such assumptions, I have conducted the required tests of the currently illustrated scale for this plan as prescribed by the Regulation and ASOP #24.

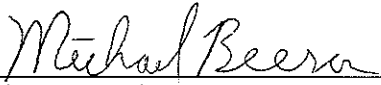
Based on the foregoing and subject to the reliance described in the following paragraph, the scale of nonguaranteed elements used in Pacific Life's authorized illustrations of this plan complies with the requirements of the Regulation. In addition, the disciplined current scale for this plan complies with ASOP #24.

In connection with making this certification I have received and relied on various reports and data from responsible Pacific Life employees relating to mortality experience and assumptions, investment experience, expense allocations and other matters. I have not independently confirmed the accuracy of such reports and data; however, I have evaluated them for reasonableness and consistency and for appropriateness as a basis for assumptions underlying this certification. In the

time elapsed from the end of the respective observation periods for the supporting data and analyses to the date of this certification, I have not been advised of, nor have I observed, any significant matters that would prevent me from making this certification.

This certification accompanies the initial filing of the referenced plan. It will be updated as a part of the annual certification process required by the Regulation.

This certification may be relied upon only by state insurance regulators and Pacific Life's Board of Directors for the purpose of determining Pacific Life's compliance with the Regulation.



Signature of Illustration Actuary

30 September 2011
Date

Michael L. Beeson, FSA, MAAA
Assistant Vice President, Life Modeling
Pacific Life Insurance Co.
45 Enterprise
Aliso Viejo, CA 92656-2601